

1. City Council Workshop Agenda (PDF)

Documents: [4.25.2014 WORKSHOP AGENDA.PDF](#)

2. City Council Workshop Agenda With Backup (PDF)

Documents: [04.25.2014 CITY COUNCIL WORKSHOP AGENDA WITH BACKUP.PDF](#)



1111 Bayou
La Marque, Texas 77568
409.938.9202

OFFICIALLY POSTED ON THE
WEB:

DATE: 4.22.14 TIME: 11:50 a.m.

WORKSHOP AGENDA

Notice is hereby given that the City Council of the City of La Marque, Texas will conduct a Special Workshop on Friday, April 25, 2014 at 1:00 p.m. at 1109-B Bayou Road for the purpose of considering the following agenda:

- (1) CALL MEETING TO ORDER**
- (2) ROLL CALL**
- (3)** Discussion and provide City Manager with direction regarding the Water Conservation Plan and Drought Contingency Plan.
- (4)** Discussion and provide City Manager with direction regarding Water and Sewer Rates and related Utility Billing items.
- (5)** Discussion and provide City Manager with direction regarding Code of Ordinances Sections 41-115 (Subdivision) and Sections 44-7 (Weeds) as they relate to mowing of ditches throughout the City.
- (6) ADJOURNMENT**

CERTIFICATION:

I hereby certify that the above notice of meeting was posted at 1109-B Bayou Road, La Marque, Texas on or before 1:00 pm on this the 22nd day of April, 2014.

Robin Eldridge, TRMC
City Clerk

This facility is wheelchair accessible and accessible parking spaces are available. Request for accommodations or interpretive services must be made 48 hours prior to this meeting. Please contact the City Clerk's office at (409) 938-9259, or Fax (409) 935-0401, or e-mail cityclerk@cityoflamarque.org for further information.



1111 Bayou
La Marque, Texas 77568
409.938.9202

OFFICIALLY POSTED ON THE
WEB:
DATE: **4.22.14** TIME: **11:50 a.m.**
Without backup
DATE: **4.24.14** TIME: **6:30 p.m.**
With backup

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CITY COUNCIL AGENDA FORM

Meeting Date: April 25, 2014
Prepared by: Cyndi Efird
Department: Public Works

Agenda item: 3
Reviewed by: Carol Buttler

AGENDA ITEM DESCRIPTION: Discussion and provide direction to City Manager on updated Water Conservation Plan and Drought Contingency Plan



Attachments

1. Water Conservation Plan
2. Drought Contingency Plan

Staff Briefing: Include information to the agenda item

- Staff has updated the Water Conservation Plan
- Drought Contingency Plan does not have any changes

History (if applicable):

- August 10, 2009 – An ordinance of the City of La Marque, Texas amending Chapter 68, Article V, Section 68-138, of the Code of Ordinances, City of La Marque, Texas, to adopt a Water Conservation Plan and a Drought Contingency Plan. Ordinance 1022

Target Implementation:

Significant Action Dates:

May 1, 2014 – Deadline to submit

Action:

☐

Ordinance

☐

Resolution

☐

Proclamation

☐

Special Presentation

☐

Finance Report

☐

Public Hearing

☒

Workshop

☐

Check box if there is no conflict with City Charter, ordinances, resolutions, or policies.

Cost Details:

Budgeted	
Actual Bid	
Estimated Expenditure	
Acct. Name	
Line Items #	
Other Funding	

Staff's Recommendation: Discussion only and provide City Manager with direction.

Fiscal Impact: N/A

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CITY OF LA MARQUE WATER CONSERVATION PLAN

CITY OF LA MARQUE
1111 Bayou Road
La Marque, Texas 77586-4160
409-938-9202

April 2014

Bobby Hocking - Mayor

Keith Bell - Mayor Pro-Tem Council Member District A

James Osteen - Council Member District B

Connie Trube - Council Member District C

Clent Brown - Council Member District D

City Manager
Carol Buttler

Director of Public Works
Michael Morgan

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1.0 INTRODUCTION

The City of La Marque is an incorporated City approximately 35 miles southeast of downtown Houston. La Marque contains about thirteen and one quarter square miles of property within central Galveston County. The city lies on the mainland portion of Galveston County and is bounded on the north and east by the City of Texas City, on the west by the City of Santa Fe, and is on the south by the City of Hitchcock and an unincorporated section of Galveston County.

The City of La Marque is primarily a residential community with few commercial and industrial customers. The City has an efficient City Council, “mayor/city manager – form of government.” The City Manager is responsible to the Mayor and City Council.

The City Manager has authorization to manage and supervise the City departments and other City functions. The Director of Public Works is responsible for the operations and maintenance of the Water and Wastewater Systems for the City as well as his other varied duties.

The City of La Marque’s Mission is to effectively manage the City’s water supply, production and distribution system in order to meet water supply needs and to provide safe drinking water that meets or exceeds state and federal regulations; to meet projected growth requirements; and to identify and meet consumer needs and expectations. The City plans and executes activities necessary to provide expected quality services to the citizens, so that the opportunity to enjoy a high quality of life is afforded to all.

The 2012 census reflected a population of 14,873. The City has experienced very slow growth over the past several years with very few customers being added.

The City serves 14,873 Water and Wastewater customers.

The City of La Marque’s potable water is supplied by two sources. The first is the surface water supply purchased and furnished by the Gulf Coast Water Authority (G.C.W.A). The surface water source provides the City with 95% of their potable water, and the other source is from ground water (well water) which provides the remaining 5%.

The City of La Marque’s ground water (well water) plants consists of a well and booster pumps at each location. The wells are primarily on standby and are used for emergencies and peak demands. Total capacity of the three water wells is 3.888 mgd. (See Attachment “A” – Water System).

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The City of La Marque is committed to maintaining and improving the City's Water Conservation Plan by expanding the educational program and following the guidelines and information provided by the Texas Water Development Board. (TWDB).

The Best Management Practices (BMPs), all or part, that will be included in the City's Water Conservation Plan includes mandatory elements, such as metering, system water audit, retro-fit BMPs, school educational programs and prohibition of wasting water.

2.0 GOALS

The City of La Marque's Water Conservation Plan objectives are to improve the efficiency of water use through practices and techniques that will reduce water consumption, reduce summertime usage, especially during dry weather, reduce water loss and increase water reuse.

It is also the goal of the City of La Marque to expand and improve the Water Conservation Plan to achieve a greater than one percent reduction per year in total gallons per capita per day (gpcd) over the next 5- and 10- year periods. A one percent reduction per year is recommended by the Texas State Water Conservation Implementation Task Force.

The City of La Marque will strive to reduce per capita consumption by improving conservation efforts, including the City's accounting program, water system inspection program, the water meter program, system repairs and public education.

The 5- and 10- year gpcd target goals are shown in Table No. 1 below

Table 1

Water Consumption Goals Based on Gallons Per Capita Per Day (gpcd)

	Actual	Actual		Target Goals	Target Goals	Target Goals
Year	2008	2013	Year	2013	2018	2013
Total gpcd	160	173	Total gpcd	173	154	139

The above calculations were made by dividing the water diverted or pumped for treatment for potable use by population served.

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2.1 Water Loss

Water loss is a primary concern for the City of La Marque and percent water losses and losses in gallons per capita per day (gpcd) for the last three years (2013-2011) are shown in Table 2 below.

Table 2
Water Loss Percentage and Gallons Per Capita Per Day (gpcd)

Year	Population	Water loss (1000 GAL)	%Loss	gpcd
2011	14,509	390,677	47.2	73.7
2012	14,873	415,976	48.9	76.6
2013	14,873	515,180	56.2	94.9

The goal/target of the City of La Marque is to reduce water loss by 15% per year over 5- and 10- year periods.

The water loss projected goals/targets expressed in gallons per capita per day (gpcd) for 5- and 10- year periods are reflected in Tables 3 and 4 below.

Table 3
Five- (5) Year Water Loss Goals/Targets (gpcd)

Year	Population estimate	Water Loss Est. (1000 gallons)	Gpcd Loss
2014	14,873	407,543	75
2015	14,873	346,411	63.8
2016	14,873	294,449	54.2
2017	14,873	250,282	46.1
2018	14,873	212,740	39.1

Table 4

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Ten- (10) Year Water Loss Goals/Targets (gpcd)

Year	Population Est.	Water Loss Est. (1,000 gallons)	Gpcd Loss
2019	14,873	180,829	33.3
2020	14,873	153,704	28.3
2021	14,873	130,648	24
2022	14,873	111,051	20.4
2023	14,873	94,393	17.3

3.0 Best Management Practices

Water consumption in the City of La Marque is driven by a wide variety of domestic, commercial, industrial and institutional needs. BMPs, as recommended by the TWDB, have been developed and utilized by the City of La Marque to improve water use efficiency and for programs to assist and improve the City's water customers in the efficient use of water.

BMPs that are presently in effect and some that will be considered for implementation are described in the next paragraphs and in greater detail in following sections.

The System Water Audits and Water Loss BMP allows the City of La Marque's utility Section to reliably track water use and provide the information needed to address unnecessary water and revenue losses. The Metering of all New Connections BMP has been established to create equity among customers, reduce water waste, and reduce flows to wastewater facilities. The City of La Marque presently has a Retrofit Program in place. The City is responsible for the inside inspection of all residential and commercial structures. The Water Conservation Pricing BMP is designed to discourage the wasting of water while assuring the fiscal obligations of the system are met. The prohibition of Wasting Water BMP is aimed at customers who continue to waste water despite Water Utility efforts to educate customers to reduce the wasting of water.

The Public information BMP affects water consumption through changes in behavior as customers learn about water resources, the wise use of water, and the conservation program. The Water-Wise Landscape Design Program BMP saves water through the installation of water-wise landscape material supplemented with education to ensure efficient irrigation of new and existing landscapes.

3.1 System Water Audit and Water Loss

To maximize the benefits of this BMP, the City uses the information from the water audit to revise meter testing and repair practices, reduce unauthorized water use, improve

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accounting for authorized but unbilled water and implement effective water loss management strategies. HB 3338 requires a retail public utility providing potable water to perform and file with the TWDB every five years a water audit computing its' most recent annual audit system water lost. The City of La Marque will explore the implementation of a more frequent water auditing and loss reduction by conducting an annual audit of the system.

The City already tracks water loss by their leak detection program, leak repair, meter change out and water use by the City. All City facilities are presently being metered. Leak detection consists of utilizing the City's leak detection crews to monitor older water mains and connections and to continuously monitor water mains especially, in areas of heavy traffic, constant monitoring of storage tank levels, daily visual inspection, monitoring distribution pressure and flows, monitoring for illegal connections and educate and inform water customers to report any and all leaks promptly. The City of La Marque has completed the Texas Water Development Board's Utility Profile form WRD-264 and will utilize this information in the completion of their annual water audit.

In accordance with House Bill 3338, the City of La Marque will improve and refine their System Water Audit and Water Loss by utilizing information and assistance from the TWDB.

1. Monthly water pumpage records from the surface water distribution line, water well plants and monthly total water billing records will be compiled for each water service area. Wastewater flow records from the wastewater treatment plant will be maintained on a monthly basis.
2. Existing maintenance and repair records will be compiled and improved; this information may be used to track water loss from water leaks.
3. Comparisons of the pumpage versus billed water will be made to identify potential water loss or accountability.
4. Potential ideas for water reuse will be evaluated: The City does not have a golf course, but the wastewater treatment plant uses the plant effluent to operate the chlorinators and for plant washdown.
5. High water bills are flagged and a door hanger is placed at that residence.

The City of La Marque will provide a more detailed overall picture of water losses by using existing records, by improving overall accountability.

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To track this BMP, the City will collect, assemble and maintain the following:

1. Prepare an annual audit reflecting percentage water losses and actions implemented to address data and recommendations generated by the annual audit.
2. Leak Detection – Work orders will be maintained, reflecting all leak repairs as to location, number of leaks repaired, size of line and estimated water loss. The City can take advantage of the TWDB's leak detection equipment.
3. Number of customer service line leaks, line size, estimated water loss, and actions taken to repair these leaks.
4. Number of door hangers distributed.
5. Additional revenue generated by initializing this BMP.

3.2 Metering

The City of La Marque has a meter replacement program in place and in addition to the meter section, the City also employs the services of an outside meter contractor each year, or more often if necessary. The water meter contractor checks and calibrates the meter on the surface water distribution line and the meters on each well at the ground water plants. Meter calibration insures that the city will receive the maximum savings on treated surface water received from the Gulf Coast Water Authority and water pumped from the wells.

Note: All metering and meter calibrations are within an accuracy of plus or minus 5%.

The City's Metering Program consists of the following:

1. The City's master meters on the connection to the Gulf Coast Water Authority's surface line and the water well meters are tested annually or more often if necessary
2. Meters one inch or smaller are replaced every twenty (20) years or when it is determined they need to be replaced.
3. Meters larger than one inch but less than three inches are tested every fifteen years or more often if necessary.

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4. Meters larger than five inches are tested every five years or more often if necessary.
5. An effective monthly meter-reading program in which readings are estimated only in cases of an inoperable meter or other extenuating circumstances; broken or inaccurate meters are replaced as soon as possible depending on available staff.
6. Meter readers fill out work orders on meters that appear to have irregularities or are broken or damaged.
7. The water accounting section flags water bills that appear to be too high or too low. Construction meters are used to track water usage in the construction industry.
8. All City facilities are presently being metered.
9. Implementation of the State requirements in HB 2404, passed by the 77th State Legislature and implemented through the Texas Water Code 13.502, which requires all new townhouses and apartments be either directly metered by the utility or sub-metered by the owner.
10. An accounting of water savings and revenue gains through the implementation of the City's water meter repair and replacement procedures.

The City will ensure that the meter program is maintained through the regular review of metered data and revision of metering policies to ensure that the maximum amount of water consumption is accounted for.

To track the effectiveness of the Metering BMP the City will provide the following:

1. Number and size of water meters replaced on an annual basis.
2. Number and size of water meter repaired annually.
3. Number of meters tested and results of each.

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4. Estimate of water savings achieved through meter repair and replacement program.
5. Number of work orders generated for meter repair/replacement.

Every year the City will estimate its annual water saving from the Meter BMP and from records generated by the water accounting section and meter replacement section. The City will look into the monitoring water accountability on a monthly basis and maintain a running 12-month average for water loss.

3.3 Water Conservation Pricing

This BMP is intended for all utilities wishing to send price signals to customers to encourage water conservation. Water conservation pricing is to develop long-term consumption patterns consistent with cost. The City will educate their customers on the type of rate structure that the utility uses and can be provided feedback through the water bill on their monthly water use.

The City has a water and sewer rate structure that includes a progressive scale for one thru four family units and for increases in meter sizes up to six inches, which provides for service and billing for water and wastewater service based on the actual metered water use. A copy of the latest water and sewer rates and related charges are attached as Appendix E. The rates include a consumption charge based on actual gallons metered so that increasing water consumption results in a larger bill for the customer.

The City raised water rates (effective) for fiscal year 2008-2009 and anticipates that conservation pricing will have that advantage of providing stronger feedback to the customers, who will see a larger percent increase in their water bill than the increase in water use. The rate structure is not presently shown on the customer's water bill, but the City will explore this option.

The increase in water rates has shown that conservation pricing has provided incentives to customers to reduce average and /or peak use.

The City will consider requiring new commercial and industrial customers to install separate irrigation meters, and the feasibility of retrofitting current commercial and industrial customers with irrigational meters.

The City will review the consumption patterns (including seasonal use) and its income and expense levels to determine if the conservation rates are effective and make appropriate, regular rate structure adjustments as needed.

To track this BMP, the City should maintain the following documentation:

1. A copy of the City's water and wastewater rates and ordinance.
2. Customer numbers and water consumption by customer class at the beginning and end of the reporting period.
3. A copy of the education materials sent to customers for each calendar year.
4. A utility bill as stated above
5. Number of utility bills reflecting water conservation information.

Elasticity studies have shown an average reduction in water use of 1 to 3 percent for every 10 percent increase in the average monthly water bill. In implementing a conservation pricing structure, consideration will be given to the factors that influence whether the new structure result in a reduction in water use. *The Water Price Elasticities for Single-Family Homes in Texas* study included several findings which suggest some water savings can be expected, as below:

1. Average price is better than marginal price in explaining the quantity of water demanding by customers
2. Customers do not understand the link between water use and sewer billing and therefore do not tend to factor sewer prices into their water use decisions.
3. The study found that for a 10 percent increase in price there was a 2 percent in water use.

3.4 Prohibition on Wasting Water

This BMP should be considered by utilities that have customers who continue to waste water despite the efforts of the utility to educate customers to reduce the waste of water. Water Waste Prohibition measures are enforceable actions and measures that prohibit specific wasteful activities. Under this BMP, the City has enforcement powers to prohibit wasteful activities including:

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1. Failure to fix outside faucet leaks.
2. Failure to repair service line leaks (customer's side)
3. Failure to repair personal water lines, faucets, water closets, and water heaters.
4. Allowing sprinklers and water hoses to run during rainy conditions
5. Operating irrigation systems with missing heads and leaks
6. Leaks and water loss from car washes and commercial laundry systems.

The BMP is implemented by the regular maintenance and operating personnel of the City and work orders are written on all leaks and repaired by work crews who are available on a 24-hour basis.

To track this BMP the City will maintain the following documentation:

1. Copy of water waste prohibition ordinances enacted in service area.
2. Copy of compliance or enforcement procedures implemented by the City.
3. Records of enforcement actions including public complaints of violations and utility response.
4. Records of all work orders.
5. Record estimated water loss from each area.

Total water savings for this BMP can be estimated from each water-wasting measure eliminated through the actions taken under this BMP. There will be additional savings from the education of customers who may change some of their inefficient water usage practices. The City will explore other methods to improve this program.

3.5 Residential Toilet Replacement Program

This BMP is intended for a Municipal Water Utility that has at least 20% of homes and apartment units in the service area constructed prior to 1995 and for which there has not been an active retrofit program to replace high flush volume toilets with 1.6 gallons per flush (gpf) toilets.

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State and Federal requirements prohibit installation of new toilets using more than 1.6 gpf or more in single- family and multi-family residences. The implementation of this BMP will consist of the following:

1. A retrofit program for all new structures and existing structures undergoing substantial modification or additions. The buyer and seller certify that the plumbing fixtures meet the efficiency standards of the most recent plumbing code.
2. The City's Water and Wastewater Department has conducted some in-house inspections over the past few years but they have been unable to hire permanent inspectors to expand on the retrofit program.
3. A retrofit requirement and /or ordinance triggered when ownership of the property changes. The City will require all plumbing fixtures in the single-family or multi-family unit, leased property and rental property to meet current plumbing standards when new structures and existing structures undergo substantial modification or additions.
4. As time permits, the City could set up a system to inspect all single-family and multi-family units and insure that all conform to the current plumbing codes.

The following proposed schedule will be implemented:

1. When the City is able to hire inspectors, they will be able to prepare documentation on all inspections on all single-family residences and multi-family units that are rented, leased or if ownership of the property changes; the documentation will reflect the kind and number of units replaced, and installation completion date.
2. Develop a plan to educate homeowners, apartment owners and managers, plumbers, and realtors about this program.
3. Strive to improve the implementation and expansion of the retrofit program.

To track this BMP, the City should gather the following:

1. The City will try and incorporate a tracking system to record the number of Ultra Low Flushing Toilet (ULFT) installations credited to the participant's replacement program, by year, including brand and model of toilets installed.

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2. The average persons per household for single-family residences; the average person per household for multi-family units.
3. Description of ULFT replacement program.
4. Estimated water savings per ULFT replacement.

The City will continue to educate homeowners, multi-unit owners, managers, plumbers and realtors about this program and work toward developing a compliance program.

3.6 Public Information

A program for providing water conservation information to the public is an effective means of both promoting specific water conservation programs and practices and educating the public about the importance of using water efficiently.

Public information programs can result in both short and long-term water savings, though they may not be directly related to any equipment or operational change. Behavioral changes by customers will only occur if a reasonable yet compelling case can be presented with sufficient frequency to be recognized and absorbed by customers.

One of the goals is to educate customers of the overall picture of water resources in the community and how conservation is needed to meet the goals of managing and sustaining existing water supplies and to avoid or delay building new facilities. An equally important part of the program is to provide data and information on specific actions and measures the customers should take to implement these community goals. When customers know the results of their actions have made a difference they are encouraged to continue participation in conservation efforts.

There are a variety of tools that can be effectively used to communicate water conservation by means of public education. These include use of print, radio television, bill boards, board meetings, schools, direct distribution of materials and facility tours.

School Education will be addressed in the School Education Section.

The City of La Marque utilizes the following to inform the public the importance of water conservation and the value of water in sustaining and enhancing life:

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1. Public at Large – The City holds regular meetings of the City council every month, which are open to the public; anyone is free to speak to the council, and the council can inform the public about water conservation
2. Water conservation information is available at the Public Works Department and at City Hall.
3. Printed Brochures – Texas Water Development Board Water Conservation literature and pamphlets will be part of the basis for information to the public, as well as preprinted brochures available from the Water Wise Council of Texas; there are many publications, brochures, videos, DVDs, etc. already available on water conservation that can be used as published or modified to meet the goals of the utility, such as: “Water IQ, Know Your Water”; the following brochures were developed by the Water Conservation Task Force: “Be Water Smart Indoors”, “Be Water Wise Outdoors” and “Top Water Smart Tips In and Around the Home”. Other TWDB brochures are “Water Conserving Tips”, “Conserving Water Outdoors”, and “Conserving Water Indoors”. The Water Lily Press, Inc. (Located in Spring, Texas) has a wide variety of brochures and material on water conservation.

Brochures also available are published by the Texas Water Wise Council, a public/ private partnership that fosters awareness and implementation of sound water management. A few of the brochures that are available are: “Irrigation-Best Management Practices”, “Lawn Maintenance-Best Practice” and “Landscape-Best Management Practice”.

- 4 The City will begin using inserts and messages with utility billing on a regular basis and can also publish water conservation messages in the local paper.
- 5 The City will order Leak detection kits along with other information and make them available at City Hall.
- 6 Tours of the water utilities facilities are also available to the public.

The goal of the City, at a minimum, is to provide information to each customer at least twice each year, on each action that the utility would like the customer to take. To track the progress of this BMP, the City gathers the following data: The number of brochures and information distributed to the public.

1. Number of dye kits distributed to the public.
2. Number of water bills with water conservation information included.

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3. Number of public school children who received info on water conservation.
4. Number of persons who toured the City's utilities.
5. The total population of the City is 10,998 (2008) per TWDB projection.
6. Results of an annual or biannual customer survey.

Water savings due to public information efforts are difficult to quantify. Water savings for other public information programs that result in specific actions by customers such as changes in irrigation scheduling or reduction in water waste occurrences could also be quantified through surveys or analysis of water waste reporting.

3.7 School Education

Lessons learned by students about good water use habits are often shared with the whole family.

School education programs, which may not result in quantifiable water savings, will improve and enhance a utility's public image, increase customer good will, and increase the viability of its overall water conservation efforts. The message conveyed by students to their families is based upon greater knowledge of water sources and conservation can result in behavioral changes resulting in both short and long-term water savings.

The City will explore the possibility of sponsoring the Water Wise Program, which educates the students in the 4th - 6th grade, on water conservation and supply. The water wise program is a product of the Harris-Galveston Subsidence District and Information and materials are available through the District. The water conservations kits furnished to the students consist of toilet leak detection tablets, shower head and faucet aerators, water displacement bags and instructions on repairing toilet leaks and other common water leaks.

The City can purchase the water conservation kits thru the Subsidence District and receive credit for 84,000 gallons of well water for each kit purchased. The Subsidence District can assist the City in initiating this program at the local schools.

A study by the Harris Galveston Subsidence District found an average savings of 18 percent or 1,400 gallons per month in homes where parents of students had installed efficient shower heads and aerators on bathroom and kitchen sinks.

The City will strive to improve their school education program by obtaining Water Conservation Education Literature from the Texas Water Development Board, such as

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their 6th grade curriculum called, “Raising Your Water IQ” as well as Water Conservation Lesson Plans.

The program will require utility staff oversight and outreach efforts to schools and students.

The City will track this BMP by:

1. Number of students participating in the water conservation plan.
2. Number of water conservation kits furnished to the classrooms.
3. Number of presentations made during the year.
4. Grade level and data the program expanded.

A true cost-effectiveness analysis cannot be determined without a measure of water savings. The program conducted by the Harris Galveston Subsidence District found that 1,400 gallons per month was saved by installing water savings devices in the home.

3.8 Water Wise Landscape Design and Conservation Program

This BMP is intended for Utility customers who have high water use landscapes which consume more than twice as much water in the summer as in the winter. A Utility impacted by repeated drought may also consider this BMP as a means of reducing outdoor water demand overall in their service area as a step toward long-term change of water use patterns.

The City will realize a decrease in summertime water consumption, peak pumpage and overall use by the installation of water-wise landscapes at residential properties, City properties and subsequent education to ensure efficient irrigation of the new landscapes. Water-Wise landscaping involves not only plant selection, but continued attention to appropriate irrigation and landscape maintenance.

In addition, a public education and outreach program through water-wise brochures, local media, water bills, civic groups, garden clubs and nurseries will help create a program that will bring water-wise landscape design to residential and commercial customers.

The City will explore the feasibility of initiating a landscape program which would recommend the use of drought-tolerant and low-water use landscaping species on all new homes.

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In the typical landscape, turf grass occupies the largest area and, when managed incorrectly, receives the largest amount of irrigation. Water savings can be achieved by installation of practical turf areas and irrigation of only the turf in high impact, highly visible areas of the landscape. Irrigated turf areas should be reduced or eliminated as part of the conservation program.

The City and the City's Parks Department are committed to installing water wise plants and landscapes at all City facilities.

Water Wise Landscape programs follow the seven principles of Xeriscape from the Texas A&M Horticulture Department, which are: Planning and design, soil analysis and improvement, appropriate plant selection, practical turf areas, efficient irrigation, use of mulches and appropriated maintenance.

The implementation of this BMP involves continual public education campaigns, including public-private partnerships with gardening clubs, landscape designers and nurseries.

The City will try to establish and continue with an on-going public outreach and educational campaign and the following information would be provided:

1. Landscape Improvement – Best Management Practices; a brochure developed by the Water Wise Council of Texas covers soil improvement, mulch, maintenance, mowing and efficient irrigation.
2. Water IQ – Be Water-Wise Outdoors; a brochure available from the Texas Water Development Board that details Water-Wise Steps to Follow, Water-Wise Landscape Watering, Water-Wise Landscape Maintenance, Water-Wise Irrigation Equipment and Design A Water-Wise Landscape.
3. Xeriscape – Landscape with Less Water; a brochure that details the seven principles of Xeriscaping.
4. Outreach – Continue implementation an outreach program to the public, nurseries, realtors and landscape companies.
5. Rain Sensors – The City will explore the requirement of rain sensors on all automated irrigation systems and the potential to save water.
6. Evapotranspiration Controllers (ET's) – The City will explore the feasibility of requiring ET controllers on all new and reconditioned irrigation systems.

To track this BMP, the City will gather the following documentation:

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1. Number of dedicated irrigation meter accounts.
2. Estimated water savings based on customer billing records.
3. Customer water use records prior to and after conversion of the landscape; this data is best compared in years of similar rainfall and after the landscape has been installed a sufficient time to establish itself.
4. Number of rain sensors and ET-controllers on automatic sprinkler systems and customer records prior to and after installation of such devices; this data is best compared in years of similar rainfall and after the landscape has been installed a sufficient time to establish itself.

Water savings will be determined from analysis of actual customer-metered water use before and after landscape conversion and after installation of rain sensors or ET controllers.

3.9 Park Conservation

This BMP is intended for all Utilities which manage parks or serve customers with parks which consume water. The visible use of water often comes under scrutiny by the public and water utility staff because of large water demand to maintain a park and because of the perception that the water use may be excessive.

The City has two public parks, and six athletic fields that require water. The public parks and athletic fields are metered.

The City of La Marque does not have any public swimming pools or public water fountains.

Park irrigation conservation practices, as well as the careful use of water in operation and maintenance of park facilities, can effectively reduce water demands. Under this BMP the City will require the management of the Parks to comply with the water conservation programs on Prohibition of Wasting Water and Water-Wise Landscape Design.

Under the plan, the Park Supervisor will implement a watering regiment that uses only the amounts of water necessary to maintain the viability of turf and landscape material appropriate for the use of the park. Water should only be applied to areas that are essential to the use of the park.

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Conservation of water for the Parks will be achieved through BMPs on Prohibition of Wasting Water, Water-Wise Landscape Design and System Water Audit and Loss Program..

As a minimum, compliance with this BMP will require the replacement of all manually controlled or quick couple irrigation systems with automatic irrigation systems and controllers.

Water wasting practices during ball field irrigation will be eliminated, including water running in gutters, irrigation heads or sprinkler spraying directly on paved surfaces, operation of automatic irrigation systems without a functioning rain shut-off device, operation of an irrigation system with missing or broken heads and irrigation during summer months should be restricted to special times.

To accomplish this BMP, the City will:

1. Ensure that the landscapes of all park properties are planted and irrigated in compliance with Water Wise Landscape Design requirements.
2. Offer training for park irrigation management and as part of this training should include workshops on pesticides, soil and nutrient management for optimal water use efficiency.
3. The water usage for the parks is metered and included in the system audit and loss program.

To track the progress of this BMP, the City will gather the following documentation:

1. Metered water readings before and after any changes are implemented.
2. Changes to irrigation systems, retrofits, or upgrades, regular leak detections and maintenance policies, and estimated water savings from conservation practices.
3. Cost of repairs equipment upgrades, or new equipment installed.

Estimating total water savings for this BMP may be difficult; however, water savings can be estimated from each water-wasting measure eliminated through the actions taken under this BMP

Swimming Pool Facilities

This City of La Marque does not have any public swimming pools.

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3.10 Reuse of Reclaimed Water

The direct use of reclaimed water is an effective method of reducing potable water usage. Reclaimed water is defined in the Texas Administrative Code (TAC) as “domestic or municipal waste water which has been treated to a quality suitable for a beneficial use, pursuant to the provisions of this chapter and other applicable rules and permits.” Direct use of reclaimed water is appropriated for a number of domestic, industrial and irrigation needs where the potential for human contact is limited.

Direct use of reclaimed water is regulated by the Texas Commission on Environmental Quality (TCEQ) and Safe Drinking Water Act Standards. Included in these rules are provisions that require permission from that agency before providing reclaimed water for beneficial use and design guidelines for reclaimed water systems.

Implementation consists of the following:

1. The City is presently using the plant waste water effluent to operate the plant chlorination equipment, plant wash down and for plant irrigation.
2. The City does not have the industrial or commercial customer base to consider the expense of installing a separate water reuse water system; however, the City will explore the long range possibilities of additional water reuse as the costs and demand for potable water continues to increase.

Documentation:

1. The waste water treatment plant is a 3.0 mgd complete mix, activated sludge treatment process.
2. The waste water effluent is being used in the operation of the chlorination equipment and for plant wash down.
3. Number of gallons or acre-feet of previous potable water use replaced by reuse water since the implementation of the BMP.

Determination of Water Savings:

Water savings are estimated at up to 100 percent of the total amount of potable water replaced by reclaimed water. Changes in operating parameters or water balance calculations which depend upon water quality parameters, such as the impact of total dissolved solids (TDS) in irrigation water require different quantities of reused water to be applied for same-end uses.

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3.11 Coordination with Regional Water Planning Group

The service area of the City of La Marque is located within the Houston Region (H), and the City has provided a copy of this Plan to the Houston Region (H), Regional Water Planning Group, which is headed by Mr. Mark Evans, with the North Harris County Regional Water Authority. Mr. Evans may be contacted at (281) 440-3924.

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ATTACHMENT A

CITY OF LA MARQUE WATER SYSTEM

The City of La Marque's major potable water supply (95%) is provided by the Gulf Coast Water Authority's Surface Water Treatment Plant located in Texas City, Texas. The raw water supplied to the Surface Water Treatment Plant is transported from the Brazos River Watershed to the treatment plant. The City's present surface water contract is for 2.78 mgd. The City receives surface water from the Gulf Coast Water Authority's potable water transmission line on the North and West side of the City, usually at 73 psi.

The Gulf coast Water Authority is responsible for the operation and maintenance of the Surface Water Plant and the transmission lines to their customers.

The City of La Marque also has three (3) water well plants and booster pump stations that supply the remainder of the City's potable water. The ground water plants are as follows:

Magnolia ground water plant has a 800 gpm well, three booster pumps @ 700 gpm each and a 0.5 million gallon ground storage tank.

Kirby ground water plant has a 700 gpm well, two booster pumps @ 700 gpm each and a 0.5 mg ground storage tank and a 0.4 mg elevated tank.

FM 1764 water plant has a 1200 gpm well has two booster pumps @ 800 gpm each and a 0.5 million gallon ground storage tank.

Stonewall pump station has two booster pumps @ 800 gpm each and a 0.4 mg ground storage tank and a 0.3 mg elevated storage tank.

Greyhound race track has one 0.5 mg elevated storage tank.

Total well capacity	3.888 mgd (2,700 gpm)
Total booster pump capacity	9.64 mgd (6,700 gpm)
Total ground water storage	1.9 mg.
Total elevated water storage	1.2 mg.

All three of the water wells are permitted by the Harris-Galveston County Subsidence District and are permitted for a definite amount. The Subsidence District has the authority to grant addition well water usage during emergency conditions by amending the well water permits.

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ATTACHMENT B

Wastewater System Data

Owner/Operator

City of La Marque

1111 Bayou Road

La Marque, Texas 55568-4160

TPDES Permit NO.: 10410-003

Receiving Stream: The treated plant effluent discharges into an adjacent drainage ditch; thence to Highland Bayou; thence into West Bay into Segment NO 2424 of the Bays and Estuaries.

The wastewater treatment plant is located adjacent to Mahan Park approximately 1,300 feet south of the intersection of Woodland and Lake Street on the North Bank of Highland Bayou in Galveston County.

The wastewater treatment plant is a complete mix activated sludge process designed to nitrify in one step with an average designed flow of 3.0 mgd and a peak wet weather capacity of 12 mgd.

Most of the wastewater generated within the city is domestic in nature. No major industry is located within the city, however a few light industry/commercial establishments discharge to the City system. The city has an industrial waste ordinance which eliminates undesirable materials from discharge into the collection system.

The effluent is disinfected with chlorine to permit requirements prior to discharge.

The dewatered sludge is hauled from the plant site to an approved disposal site by a licensed contractor.

The treated plant effluent is used for plant washdown, in the chlorination system and for irrigation within the plant.

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UTILITIES PROFILE

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UTILITY PROFILE FOR RETAIL WATER SUPPLIER

Fill out this form as completely as possible.
If a field does not apply to your entity, leave it blank.

CONTACT INFORMATION

Name of Utility: City of La Marque

Public Water Supply Identification Number (PWS ID): 840006

Certificate of Convenience and Necessity (CCN) Number: TCEQ ccn#10131

Surface Water Right ID Number: _____

Wastewater ID Number: WQ001410003

Completed By: Michael Title: Morgan

Address: 1111 Bayou Rd. City: La Marque Zip Code: 77568

Email: m.morgan@cityoflamarque.org Telephone Number: 409-938-9280

Date: 4-23-14

Regional Water Planning Group: H [Map](#)

Groundwater Conservation District: _____ [Map](#)

Check all that apply:

- ☐ Received financial assistance of \$500,000 or more from TWDB
- ☒ Have 3,300 or more retail connections
- ☐ Have a surface water right with TCEQ

Section I: Utility Data

A. Population and Service Area Data

1. Current service area size in square miles: 13
(Attach or email a copy of the service area map.)
2. Provide historical service area population for the previous five years, starting with the most current year.

Year	Historical Population Served By Retail Water Service	Historical Population Served By Wholesale Water Service	Historical Population Served By Wastewater Service
2009	13,682		13,682
2010	14,509		14,509
2011	14,680		14,680
2012	14,873		14,873
2013	14,873		14,873

3. Provide the projected service area population for the following decades.

Year	Projected Population Served By Retail Water Service	Projected Population Served By Wholesale Water Service	Projected Population Served By Wastewater Service
2020	15,500		15,500
2030	16,000		16,000
2040	16,500		16,500
2050	17,000		17,000
2060	17,500		17,500

4. Describe the source(s)/method(s) for estimating current and projected populations.

Current population information was pulled from U.S. Department of Commerce Census web site.

The beginning Projected Population starting at 2020 was estimated from platted land with development and available water for growth up to this time. The remaining years was estimated at static population growth of ____%

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B. System Input

Provide system input data for the previous five years.

Total System Input = Self-supplied + Imported – Exported

Year	Self-supplied Water in Gallons	Purchased/Imported Water in Gallons	Exported Water in Gallons	Total System Input	Total GPCD
2009				0	0
2010				0	0
2011				0	0
2012				0	0
2013				0	0
Historic 5-year Average	0	0	0	0	0

C. Water Supply System (Attach description of water system)

- Designed daily capacity of system 5,000,000 gallons per day.
- Storage Capacity:
 Elevated 1,200,000 gallons
 Ground 1,500,000 gallons
- List all current water supply sources in gallons.

Water Supply Source	Source Type*	Total Gallons
Magnolia	Ground	1,152,000
Kirby	Ground	1,008,000
1765	Ground	1,728,000
Gulf Coast Water Authority	Surface	2,780,000
	Choose One	
	Choose One	

*Select one of the following source types: *Surface water, Groundwater, or Contract*

- If surface water is a source type, do you recycle backwash to the head of the plant?
☐ Yes _____ estimated gallons per day
☒ No

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D. Projected Demands

1. Estimate the water supply requirements for the next ten years using population trends, historical water use, economic growth, etc.

Year	Population	Water Demands (gallons)

2. Describe sources of data and how projected water demands were determined. Attach additional sheets if necessary.

E. High Volume Customers

1. List the annual water use, in gallons, for the five highest volume **RETAIL** customers. Select one of the following water use categories to describe the customer; choose Residential, Industrial, Commercial, Institutional, or Agricultural.

Retail Customer	Water Use Category*	Annual Water Use	Treated or Raw
La Marque High School	Institutional		Treated
Gulf Greyhound	Commercial		Treated
Delany Cove Irrigation	Residential		Treated
Travel Lodge	Commercial		Treated
La Marque middle School	Industrial		Treated

*For definitions on recommended customer categories for classifying customer water use, refer to the online [Guidance and Methodology for Reporting on Water Conservation and Water Use](#).

2. If applicable, list the annual water use for the five highest volume **WHOLESALE** customers. Select one of the following water use categories to describe the customer; choose Municipal, Industrial, Commercial, Institutional, or Agricultural.

Wholesale Customer	Water Use Category*	Annual Water Use	Treated or Raw
N/A	Choose One		Choose One
	Choose One		Choose One
	Choose One		Choose One
	Choose One		Choose One
	Choose One		Choose One

*For definitions on recommended customer categories for classifying customer water use, refer to the online [Guidance and Methodology for Reporting on Water Conservation and Water Use](#).

F. Utility Data Comment Section

Provide additional comments about utility data below.

Section II: System Data

A. Retail Connections

1. List the active retail connections by major water use category.

Water Use Category*	Active Retail Connections			
	Metered	Unmetered	Total Connections	Percent of Total Connections
Residential – Single Family	6,614	0	6,614	91%
Residential – Multi-family (units)	86	0	86	1%
Industrial	0	0	0	0%
Commercial	560	0	560	8%
Institutional	0	0	0	0%
Agricultural	0	0	0	0%
TOTAL	7,260	0	7,260	

*For definitions on recommended customer categories for classifying customer water use, refer to the online [Guidance and Methodology for Reporting on Water Conservation and Water Use](#).

2. List the net number of new retail connections by water use category for the previous five years.

Water Use Category*	Net Number of New Retail Connections				
	2009	2010	2011	2012	2013
Residential – Single Family	6,984	6,339	5,716	6,020	6,614
Residential – Multi-family (units)	2	22	63	74	86
Industrial	0	0	0	0	0
Commercial	45	498	532	470	560
Institutional	0	0	0	0	0
Agricultural	0	0	0	0	0
TOTAL	7,031	6,859	6,311	6,564	7,260

*For definitions on recommended customer categories for classifying customer water use, refer to the online [Guidance and Methodology for Reporting on Water Conservation and Water Use](#).

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B. Accounting Data

For the previous five years, enter the number of gallons of RETAIL water provided in each major water use category.

Water Use Category*	Total Gallons of Retail Water				
	2009	2010	2011	2012	2013
Residential - Single Family	372,840,000	348,894,000	351,827,000	320,863,241	296,296,000
Residential – Multi-family	24,788,000	7,938,000	18,685,000	20,593,616	21,424,000
Industrial	0	0	0	0	0
Commercial	86,412,000	79,170,000	84,035,000	89,749,332	80,809,000
Institutional	0	0	0	0	0
Agricultural	0	0	0	0	0
TOTAL	484,040,000	436,002,000	454,547,000	431,206,189	398,529,000

*For definitions on recommended customer categories for classifying customer water use, refer to the online [Guidance and Methodology for Reporting on Water Conservation and Water Use](#).

C. Residential Water Use

For the previous five years, enter the residential GPCD for single family and multi-family units.

Water Use Category*	Residential GPCD				
	2009	2010	2011	2012	2013
Residential - Single Family	69	64	84	59	55
Residential – Multi-family	5	1	3	4	4

D. Annual and Seasonal Water Use

- For the previous five years, enter the gallons of treated water provided to RETAIL customers.

Month	Total Gallons of Treated Retail Water				
	2009	2010	2011	2012	2013
January	68,544,000	77,977,000	58,007,000	68,801,000	67,347,000
February	60,434,000	63,890,000	52,942,000	64,067,000	60,956,000
March	67,837,000	66,177,000	56,904,000	67,727,000	67,859,000
April	66,385,000	66,567,000	61,123,000	71,317,000	66,571,000
May	70,731,000	74,848,000	68,488,000	78,055,000	75,158,000
June	77,869,000	74,161,000	74,257,000	71,413,000	77,626,000
July	80,106,000	68,911,000	73,196,000	70,848,000	84,248,000
August	86,879,000	71,026,000	77,018,000	73,963,000	78,143,000
September	83,038,000	63,030,000	77,221,000	70,242,000	78,253,000
October	82,918,000	68,452,000	76,808,000	71,985,000	78,179,000
November	76,222,000	65,142,000	67,633,000	66,385,000	75,141,000
December	78,729,000	66,498,000	69,689,000	69,731,000	79,267,000
TOTAL	899,692,000	826,679,000	813,286,000	844,534,000	888,748,000

2. For the previous five years, enter the gallons of raw water provided to RETAIL customers.

Month	Total Gallons of Raw Retail Water				
	2009	2010	2011	2012	2013
January					
February					
March					
April					
May					
June					
July					
August					
September					
October					
November					
December					
TOTAL	0	0	0	0	0

3. Summary of seasonal and annual water use.

Water Use	Seasonal and Annual Water Use					Average in Gallons
	2009	2010	2011	2012	2013	
Summer Retail (Treated + Raw)	244,854,000	214,098,000	224,471,000	216,224,000	240,017,000	227,932,800 5yr Average
TOTAL Retail (Treated + Raw)	899,692,000	826,679,000	813,286,000	844,534,000	888,748,000	854,587,800 5yr Average

E. Water Loss

Provide Water Loss data for the previous five years.

Water Loss GPCD = [Total Water Loss in Gallons ÷ Permanent Population Served] ÷ 365

Water Loss Percentage = [Total Water Loss ÷ Total System Input] x 100

Year	Total Water Loss in Gallons	Water Loss in GPCD	Water Loss as a Percentage
2009	415,652,000	83	0%
2010	226,504,000	43	0%
2011	358,739,000	67	0%
2012	404,395,296	74	0%
2013	490,219,000	90	0%
5-year average	379,101,859	71	0%

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F. Peak Water Use

Provide the Average Daily Water Use and Peak Day Water Use for the previous five years.

Year	Average Daily Use (gal)	Peak Day Use (gal)	Ratio (peak/avg)
2009	2,450,000	3,700,000	1.51
2010	2,250,000	3,100,000	1.38
2011	2,233,000	3,500,000	1.57
2012	2,316,000	3,300,000	1.42
2013	2,500,000	4,300,000	1.72

G. Summary of Historic Water Use

Water Use Category	Historic 5-year Average	Percent of Connections	Percent of Water Use
Residential SF	338,144,048	91%	0%
Residential MF	18,685,723	1%	0%
Industrial	0	0%	0%
Commercial	84,035,066	8%	0%
Institutional	0	0%	0%
Agricultural	0	0%	0%

H. System Data Comment Section

Provide additional comments about system data below.

Section III: Wastewater System Data

If you do not provide wastewater system services then you have completed the Utility Profile. Save and Print this form to submit with your Plan. Continue with the [Water Conservation Plan Checklist](#) to complete your Water Conservation Plan.

A. Wastewater System Data (Attach a description of your wastewater system.)

- Design capacity of wastewater treatment plant(s): 3,000,000
gallons per day.
- List the active wastewater connections by major water use category.

Water Use Category*	Active Wastewater Connections			
	Metered	Unmetered	Total Connections	Percent of Total Connections
Municipal	6,700	0	6,700	92%
Industrial	0	0	0	0%
Commercial	560	0	560	8%
Institutional	0	0	0	0%
Agricultural	0	0	0	0%
TOTAL	7,260	0	7,260	

- What percent of water is serviced by the wastewater system? 100%
- For the previous five years, enter the number of gallons of wastewater that was treated by the utility.

Month	Total Gallons of Treated Wastewater				
	2009	2010	2011	2012	2013
January	41,410,000	89,860,000	81,371,000	48,850,000	84,160,000
February	43,800,000	104,260,000	61,790,000	72,568,000	53,128,000
March	52,650,000	67,220,000	73,820,000	79,172,000	43,065,000
April	68,940,000	45,380,000	44,930,000	82,888,000	64,288,000
May	51,350,000	55,950,000	40,130,000	66,666,000	44,819,000
June	45,080,000	50,960,000	39,560,000	46,497,000	41,782,000
July	55,680,000	101,500,000	45,240,000	54,241,000	51,355,000
August	51,800,000	50,690,000	39,340,000	70,795,000	57,796,000
September	68,140,000	64,070,000	41,120,000	46,365,000	44,543,000
October	103,430,000	38,792,000	46,264,000	40,394,000	48,757,000
November	68,060,000	52,827,000	42,300,000	38,785,000	44,515,000
December	136,920,000	48,815,000	50,547,000	43,699,000	36,088,000
TOTAL	787,260,000	770,324,000	606,412,000	690,920,000	614,296,000

4. Can treated wastewater be substituted for potable water?

☐

Yes

☒

No

B. Reuse Data

1. Provide data on the types of recycling and reuse activities implemented during the current reporting period.

Type of Reuse	Total Annual Volume (in gallons)
On-site irrigation	0
Plant wash down	4,000,000
Chlorination/de-chlorination	68,000,000
Industrial	0
Landscape irrigation (parks, golf courses)	0
Agricultural	0
Discharge to surface water	0
Evaporation pond	0
Other	0
TOTAL	72,000,000

C. Wastewater System Data Comment

Provide additional comments about wastewater system data below.

You have completed the Utility Profile. Save and Print this form to submit with your Plan. Continue with the [Water Conservation Plan Checklist](#) to complete your Water Conservation Plan.

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**APPENDIX
A
DEFINITIONS
OF
UTILITY PROFILE
TERMS**

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Appendix A

Definitions of Utility Profile Terms

1. **Residential** sales should include water sold to residential (Single and Multi-Family) class customers only. **Industrial** sales should include water sold to manufacturing and other heavy industry. **Commercial** sales should include water sold to all retail businesses, offices, hospitals, etc. **Wholesale** sales should include water sold to another utility for a resale to the public for human consumption.
2. **Water Loss** is the difference between water a utility purchases or produces and the amount of water that it can account for in sales and other known uses for a given period. Water loss can result from:
 - 1. Inaccurate or incomplete record keeping
 - 2. meter error
 - 3. unmetered uses such as firefighting, line flushing, and water for public buildings and water treatment plants.
 - 4. leaks
 - 5. water theft and unauthorized use.
3. The **peak-day to average-day ratio** is calculated by dividing the maximum daily pumpage (in million gallons per day) by the average daily pumpage. Average daily pumpage is the total pumpage for the year (as reported in Section IIA1, P4) divided by 365 and expressed in million gallons per day.
- 4 **Total use in gallons per capita per day** is defined as total average daily amount of water diverted or pumped for treatment for potable use by a public water supply system. The calculation is made by dividing the water diverted or pumped for treatment for potable use by population served then divide by 365. Indirect reuse volumes shall be credited against total diversion volumes for the purpose of calculation gallons per capita per day for targets and goals developed for the water conservation plan. Total water use is calculated by subtracting the wholesale sales from the total water diverted or treated (as reported in Section IIA1).

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5 Seasonal water use is the difference between base (winter) daily per capita use and summer daily per capita use. To calculate **the base daily per capita use**, average the monthly diversions for December, January, and February, and divide this average by 30. Then divide this figure by the population. To calculate the **summer daily per capita use**, use the months of June, July, and August.

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**APPENDIX
B
DEFINITIONS
OF
COMMONLY
USED TERMS**

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Appendix B

Definitions of Commonly Used Terms

Conservation – Those practices, techniques, and technologies, that reduce the consumption of water reduce the loss or waste of water, improve the efficiency in the use of water, or increase the recycling and reuse of water so that a water supply is made available for future or alternative uses.

Industrial use – The use of water in processes designed to convert materials of a lower order of value into forms having greater usability and commercial value, commercial fish production, and the development of power by means other than hydroelectric, but does not include agricultural use.

Irrigation – The agricultural use of water for the irrigation of crops, trees, and pastureland including, but not limited to, golf courses and parks which do not receive water through a municipal distribution system.

Municipal per capita water use – The sum total of water diverted into a water supply system for residential, commercial, and public and institutional uses divided by actual population served.

Municipal use – The use of potable water within or outside a municipality and its environs whether supplied by a person, privately owned utility, political subdivision, or other entity as well as the use of sewage effluent for certain purposes, including the use of treated water for domestic purposes, fighting fires, sprinkling streets, flushing sewers and drains, watering parks and parkways, and recreational purposes, including public and private swimming pools, the use of potable water in industrial and commercial enterprises supplied by a municipal distribution system without special construction to meet its demands, and for the watering of lawns and family gardens.

Municipal use in gallons per capita per day – The total average daily amount of water diverted or pumped for treatment for potable use by a public water supply system. The calculation is made by dividing the water diverted or pumped for treatment for potable use by population served. Indirect reuse volumes shall be credited against total diversion volumes for the purpose of calculating gallons per capita per day for targets and goals.

Pollution – The alternation of the physical, thermal, chemical, or biological quality of, or the contamination of, any water in the state that renders the water harmful, detrimental, or injurious to humans, animal life, vegetation, or property, or to the public health, safety,

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or welfare, or impairs the usefulness or the public enjoyment of the water for any lawful or reasonable purpose.

Public water supplier – An individual or entity that supplies water to the public for human consumption.

Regional water planning group – A group established by the Texas Water Development Board to prepare a regional water plan under Texas Water Code, 16.053.

Retail public water supplier – An individual or entity that for compensation supplies water to the public for human consumption. The term does not include an individual or entity that supplies water to the public for human consumption. The term does not include an individual or entity that supplies water to itself or its employees or tenants when that water is not resold to or used by others.

Reuse- The authorized use for one or more beneficial purposes of use of water that remains unconsumed after the water is used for the original purpose of use and before that water is either disposed of or discharged or otherwise allowed to flow into a watercourse, lake, or other body of state-owned water.

Water conservation plan – A strategy, or combination of strategies, for reducing the volume of water withdrawn from a water supply source, for reducing the loss or waste of water, for maintaining or improving the efficiency in the use of water, for increasing the recycling and reuse of water, and for preventing the pollution of water. A water conservation plan may be a separate document identified as such or may be contained within another water management document(s).

Water loss – The difference between diverted or treated and water delivered (sold). Water loss can result from:

1. Inaccurate or incomplete record keeping
2. meter error
3. unmetered uses such as fire fighting, line flushing, and water for public buildings and water treatment plants
4. leaks
5. water theft and unauthorized use

Wholesale public water supplier – An individual or entity that for compensation supplies water to another for resale to the public for human consumption. The term

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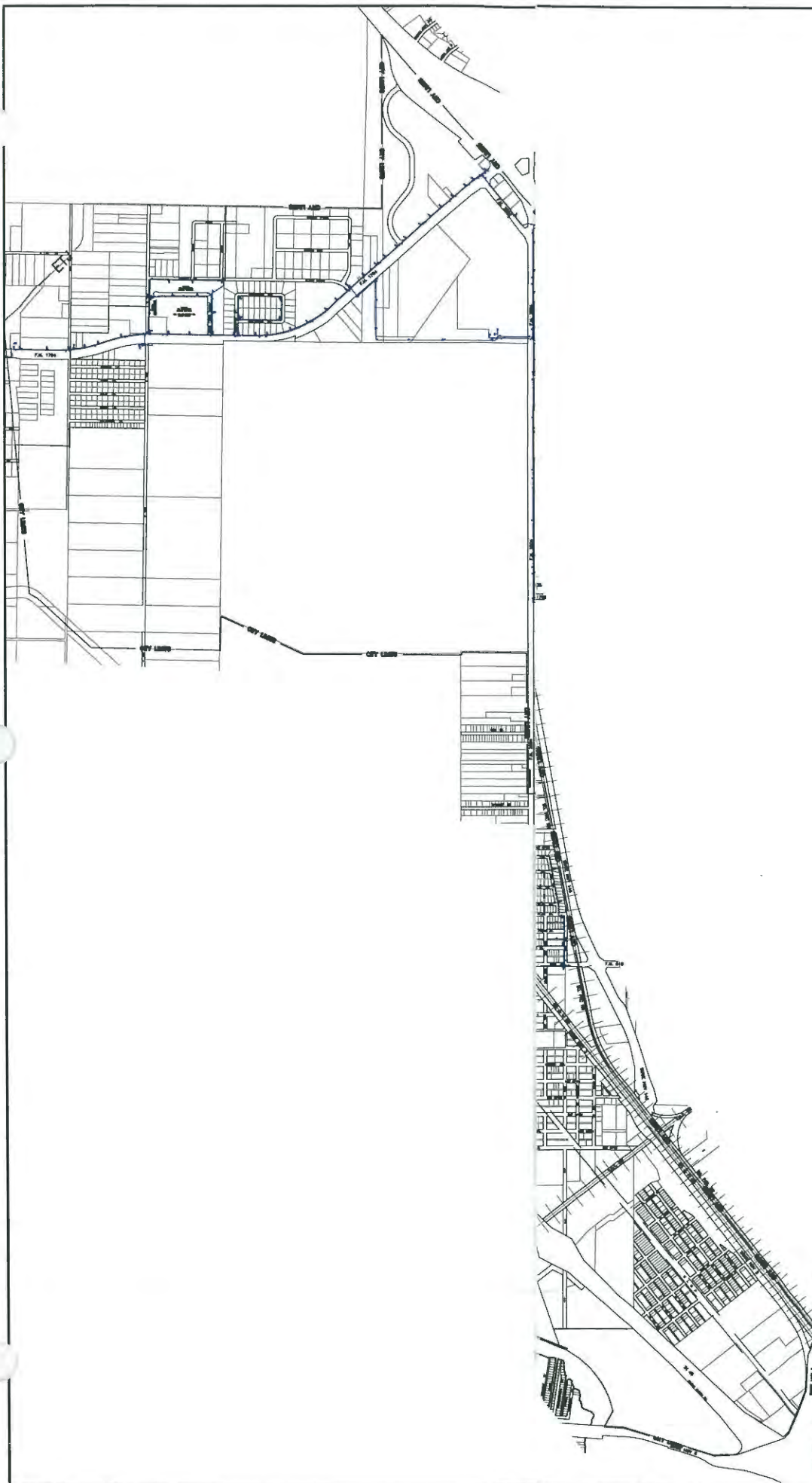
does not include an individual or entity that supplies water to itself or its employees or tenants as an incident of that employee service or tenancy when that water is not resold to or used by others, or an individual or entity that conveys water to another individual or entity, but does not own the right to the water which is conveyed, whether or not for a delivery fee.

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APPENDIX

C

WATER SYSTEM MAP



CITY OF LaMARQUE

WATER DISTRIBUTION SYSTEM

LJA Engineering & Surveying, Inc. 

11821 East Freeway Suite 400 Houston, Texas 77029
Phone 713.450.1300 Fax 713.450.1385

SCALE: 1"=3000' JOB No. E019-0880 EXHIBIT No. 01

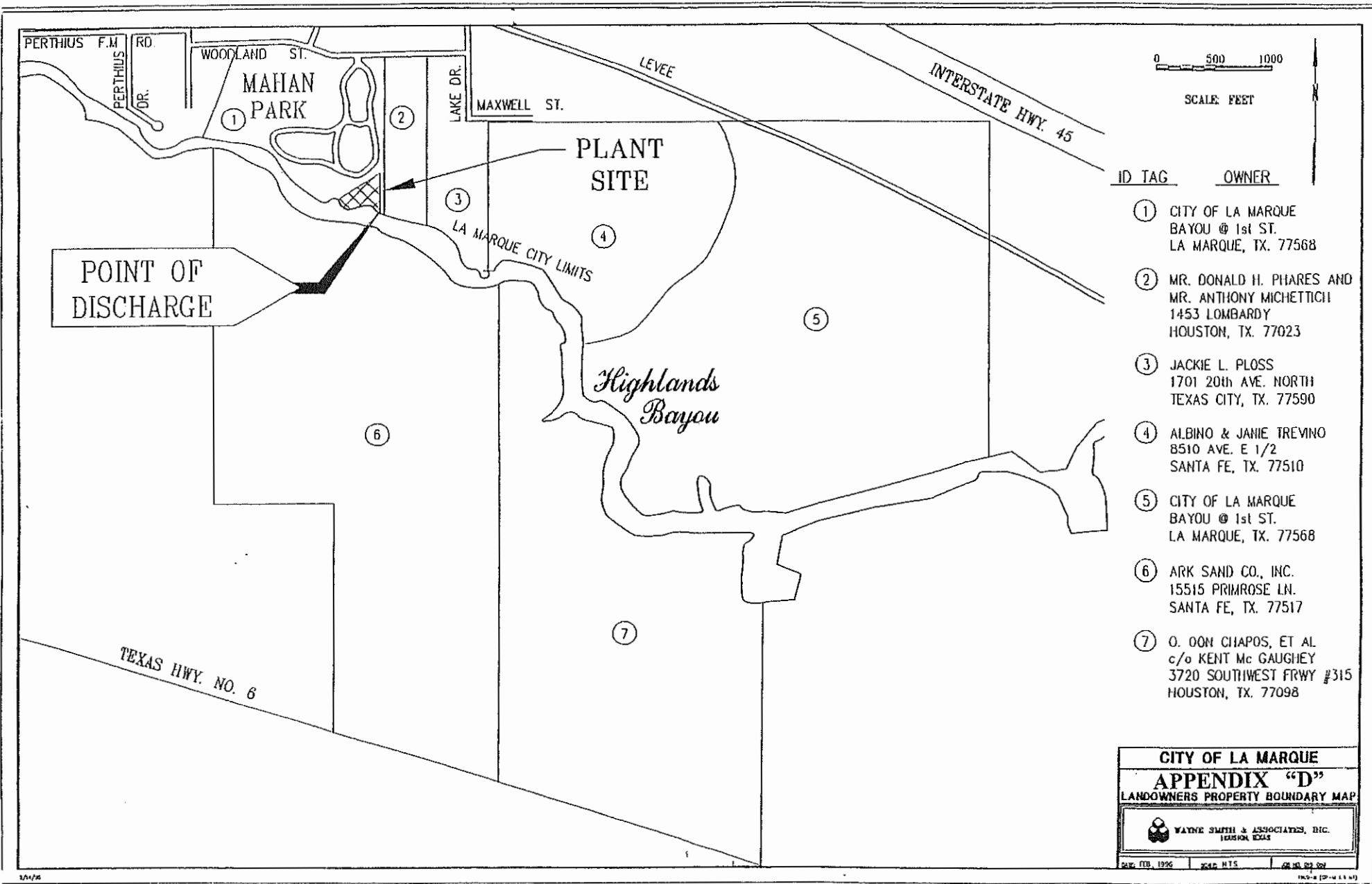
019-088-Water Distribution.dwg (11X17-1:3000)

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APPENDIX

D

WASTEWATER PLANT LOCATION AND DISCHARGE



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**APPENDIX
E
WATER AND
WASTEWATER RATES**

Residential Rates - Fiscal Year 2008 - 2009

Gallons	Water	Sewer	Refuse	Tax	CAS	Total
.	\$7.75	\$17.15	\$14.18	\$1.17	\$0.20	\$40.45
1,000	\$7.75	\$17.15	\$14.18	\$1.17	\$0.20	\$40.45
2,000	\$11.05	\$20.05	\$14.18	\$1.17	\$0.20	\$46.65
3,000	\$14.35	\$22.95	\$14.18	\$1.17	\$0.20	\$52.85
4,000	\$17.65	\$25.85	\$14.18	\$1.17	\$0.20	\$59.05
5,000	\$20.95	\$28.75	\$14.18	\$1.17	\$0.20	\$65.25
6,000	\$24.25	\$31.65	\$14.18	\$1.17	\$0.20	\$71.45
7,000	\$27.55	\$34.55	\$14.18	\$1.17	\$0.20	\$77.65
8,000	\$30.85	\$37.45	\$14.18	\$1.17	\$0.20	\$83.85
9,000	\$34.15	\$40.35	\$14.18	\$1.17	\$0.20	\$90.05
10,000	\$37.45	\$43.25	\$14.18	\$1.17	\$0.20	\$96.25
11,000	\$40.75	\$46.15	\$14.18	\$1.17	\$0.20	\$102.45
12,000	\$44.05	\$49.05	\$14.18	\$1.17	\$0.20	\$108.65
13,000	\$47.35	\$51.95	\$14.18	\$1.17	\$0.20	\$114.85
14,000	\$50.65	\$54.85	\$14.18	\$1.17	\$0.20	\$121.05
15,000	\$53.95	\$57.75	\$14.18	\$1.17	\$0.20	\$127.25
16,000	\$57.25	\$57.75	\$14.18	\$1.17	\$0.20	\$130.55
17,000	\$60.55	\$57.75	\$14.18	\$1.17	\$0.20	\$133.85
18,000	\$63.85	\$57.75	\$14.18	\$1.17	\$0.20	\$137.15
19,000	\$67.15	\$57.75	\$14.18	\$1.17	\$0.20	\$140.45
20,000	\$70.45	\$57.75	\$14.18	\$1.17	\$0.20	\$143.75
21,000	\$73.75	\$57.75	\$14.18	\$1.17	\$0.20	\$147.05
22,000	\$77.05	\$57.75	\$14.18	\$1.17	\$0.20	\$150.35
23,000	\$80.35	\$57.75	\$14.18	\$1.17	\$0.20	\$153.65
24,000	\$83.65	\$57.75	\$14.18	\$1.17	\$0.20	\$156.95
25,000	\$86.95	\$57.75	\$14.18	\$1.17	\$0.20	\$160.25
26,000	\$90.25	\$57.75	\$14.18	\$1.17	\$0.20	\$163.55
27,000	\$93.55	\$57.75	\$14.18	\$1.17	\$0.20	\$166.85
28,000	\$96.85	\$57.75	\$14.18	\$1.17	\$0.20	\$170.15
29,000	\$100.15	\$57.75	\$14.18	\$1.17	\$0.20	\$173.45
30,000	\$103.45	\$57.75	\$14.18	\$1.17	\$0.20	\$176.75
31,000	\$106.75	\$57.75	\$14.18	\$1.17	\$0.20	\$180.05
32,000	\$110.05	\$57.75	\$14.18	\$1.17	\$0.20	\$183.35
33,000	\$113.35	\$57.75	\$14.18	\$1.17	\$0.20	\$186.65
34,000	\$116.65	\$57.75	\$14.18	\$1.17	\$0.20	\$189.95
35,000	\$119.95	\$57.75	\$14.18	\$1.17	\$0.20	\$193.25
36,000	\$123.25	\$57.75	\$14.18	\$1.17	\$0.20	\$196.55
37,000	\$126.55	\$57.75	\$14.18	\$1.17	\$0.20	\$199.85
38,000	\$129.85	\$57.75	\$14.18	\$1.17	\$0.20	\$203.15
39,000	\$133.15	\$57.75	\$14.18	\$1.17	\$0.20	\$206.45
40,000	\$136.45	\$57.75	\$14.18	\$1.17	\$0.20	\$209.75

Rate Per Thousand - Water \$3.30 Sewer \$2.90

Abnormal Consumption Rates - Water \$1.62 Sewer \$1.45

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**APPENDIX
F
ORDINANCE**

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ORDINANCE NUMBER _____

AN ORDINANCE OF THE CITY OF LA MARQUE, TEXAS AMENDING CHAPTER 68, ARTICLE V, SECTION 68-138, OF THE CODE OF ORDINANCES, CITY OF LA MARQUE, TEXAS, TO ADOPT A WATER CONSERVATION PLAN AND A DROUGHT CONTINGENCY PLAN.

WHEREAS, the City of La Marque, Texas recognizes that the amount of water available to the City and its water utility customers is limited and subject to depletion during periods of extended drought;

WHEREAS, Section 11.1272 and Subchapter A of Chapter 288 of the Texas Water Code and applicable rules of the Texas Commission on Environmental Quality require all public water supply systems in Texas to prepare a water conservation plan and a Drought Contingency Plan.

NOW THEREFORE

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LA MARQUE, TEXAS:

That Chapter 68, Article V, Section 681-38, is hereby amended to read as follows:

“Section 68-138 Adopted.

(a) The City of La Marque, Texas, Water Conservation Plan attached hereto as Exhibit “A” is hereby adopted.

(b) The City of La Marque, Texas, Drought Contingency Plan attached hereto as Exhibit “B” is hereby adopted.

PASSED AND APPROVED on the first reading by the City Council of the City of La Marque, Texas on this the _____ day of _____ 2014.

PASSED AND ADOPTED on the second and final reading by the City Council of the City of La Marque, Texas on this the _____ day of _____ 2014.

Signed by:

_____, Mayor, City of La Marque, Texas

Attest:

_____, City Clerk

DROUGHT CONTINGENCY PLAN

**City of La Marque
1111 Bayou Road
La Marque, Texas 77568-4160
409-938-9202**

April 2009

LJA Project No. 019-0880

**Interim City Manager
Eric Gage**

**Director of Public Works
Michael Morgan**

Prepared by:

LJA Engineering & Surveying, Inc.
1821 East Freeway, Suite 400
Houston, Texas 77029
Ph: 713-450-1300
Fax: 713-450-1385

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EXHIBIT A Ordinance for Adoption of a Drought Contingency and Water Conservation Plan

INTRODUCTION

Section I. Description and Location of the City

The City of La Marque is an incorporated City approximately 35 miles southeast of downtown Houston. La Marque contains about thirteen and one-quarter square miles of property within central Galveston County. The City lies on the mainland portion of Galveston County and is bounded on the north and east by the City of Texas City, on the west by the City of Santa Fe, and on the south by the City of Hitchcock and an unincorporated section of Galveston County.

The City of La Marque is primarily a residential community with few commercial and industrial customers.

Section II. Water Source

The City of La Marque's potable water is supplied from two sources. The first is the surface water supply purchased and furnished by the Gulf Coast Water Authority's (G.C.W.A.) surface water treatment plant located in Texas City, Texas. The surface water source provides the City with 95% of their potable water, and the other source is from ground water (well water) which provides the remaining 5%.

The City of La Marque's three (3) ground water (well water) plants consists of a well and booster pumps at each location. The wells are primarily on standby and are used for emergencies and peak demands. Total capacity of the three water wells is 2.016 mgd. The wells are permitted by the Harris-Galveston Subsidence District.

Section III. Mission Statement

The primary mission of the Utility is as follows:

- Provide adequate water volume and pressure for fire fighting
- Provide potable water for public consumption, public safety and welfare
- Provide quality service

Section IV. Critical Customers

The City has no dominant "critical" customers with the exceptions of the La Marque schools. There are no hospitals, nursing centers or major commercial or industrial installations. The City does not know of any customers who are water dependent for life support or medical reasons who live within the City limits.

Section V. Goal

The intent of the City of La Marque's Drought Contingency Plan will be to reduce unnecessary consumption of water by implementing permanent efficient water use practices. Currently the City has no shortage of water. However, the City recognized the benefits of water conservation and has prepared a plan should a drought occur.

The goal of the City of La Marque's Drought Contingency Plan will be to provide temporary procedures for mandatory and voluntary action which will reduce demand on the water supply system during a water shortage situation. The Plan will include various conservation measures, as well as the mechanism for prohibiting certain other uses during the shortage emergency.

DROUGHT CONTINGENCY PLAN**Section I. Declaration of Policy, Purpose and Intent**

In order to conserve the available water supply and protect the integrity of the water supply facilities, with particular regard for domestic water use, sanitation and fire protection, and to protect and preserve public health, welfare and safety, and to minimize the adverse impacts of water supply shortage or other water supply emergency conditions, the City of La Marque hereby adopts the following regulations and restrictions on the delivery and consumption of water.

Water uses regulated or prohibited under this Drought Contingency Plan (Plan) are considered to be non-essential and continuation of such uses during times of water shortage, or other emergency water supply conditions, are deemed to constitute a waste of water which subjects the offender(s) to penalties as defined in Section X of the Plan.

Section II. Public Involvement

Opportunity for the public to provide input into the preparation of the Plan was provided by the City by means of scheduling a meeting to receive comments, input, notifying the public by notices in the local paper, and postings at City Hall.

Section III. Public Education

The City will periodically provide the public with information about the Plan, including information about the conditions under which each stage of the Plan is to be initiated or terminated and the drought response measures to be implemented in each stage. This information will be provided by means of:

- Utility bill inserts
- Direct mailing
- Promote Water Conservation through school programs. The City is presently supplying local schools with book covers which promotes Water Conservation.
- Newspaper advertisement
- Distribute and have available brochures on water conservation at City Hall and Public Works Office.

Section IV. Coordination with Regional Water Planning Groups

The service area of the City is located within the Houston Region (H) and the City has provided a copy of this Plan to the Houston Region (H), Regional Water Planning Group which is headed by Mr. Reed Eichelberger, PE with the San Jacinto River Authority (936-588-1111).

Section V. Authorization

The City Mayor or his/her designee is hereby authorized and directed to implement the applicable provisions of this Plan upon determination that such implementation is necessary to protect public health, safety and welfare. The City Mayor or his/her designee shall have the authority to initiate or terminate drought or other water supply emergency response measures as described in this Plan.

Section VI. Application

The provisions of this Plan shall apply to all persons, customers and property utilizing water provided by the City. The terms "persons" and "customer" as used in the Plan include individuals, corporations, partnerships, associations and all other legal entities.

Section VII. Definitions

For the purposes of this Plan the following definitions shall apply:

Aesthetic Water Use: Water use for ornamental or decorative purposes such as fountains, reflecting pools and water gardens.

Commercial and Institutional Water Use: Water use which is integral to the operations of commercial and non-profit establishments and governmental entities such as retail establishments, hotels and motels, restaurants and office buildings.

Conservation: Those practices, techniques and technologies that reduce the consumption of water, reduce the loss or waste of water, improve the efficiency in the use of water or increase the recycling and reuse of water so that a supply is conserved and made available for future or alternative uses.

Customer: Any person, company or organization using water supplied by the City.

Deliverable Capacity: Gulf Coast Water Authority (GCWA) 21.0 mgpd, Thomas S. Mackey Surface Water Treatment Plant capacity. The City's present deliverable contract capacity is 2.78 mgd and that amount is subject to change.

Designee: Any City employee designated by the Mayor with the authority to enforce the Drought Contingency Plan.

Domestic Water Use: Water use for personal needs or for household or sanitary purposes such as drinking, bathing, heating, cooking, sanitation or for cleaning a residence, business, industry or institution.

Even Number Address: Street addresses, box numbers or rural postal route numbers ending in 0, 2, 4, 6 or 8 and locations without addresses.

GCWA: Gulf Coast Water Authority wholesale surface water supplier for the City.

Industrial Water Use: The use of water in processes designed to convert materials of lower value into forms having greater usability and value.

Landscaping Irrigation Use: Water used for the irrigation and maintenance of landscaped areas, whether publicly or privately owned, including residential and commercial lawns, gardens, golf courses, parks and rights-of-way and medians.

Mayor: Chief Executive Officer of the City.

Million Gallons Per Day: (MGPD)

Non-Essential Water Use: Water uses that are not essential or required for the protection of public health, safety and welfare, including:

1. Irrigation of landscape areas, including parks, athletic fields and golf courses, except where otherwise provided under the Plan;
2. Use of water to wash any motor vehicle, motorbike, boat, trailer, airplane or other vehicle;
3. Use of water to wash down any sidewalks, walkways, driveways, parking lots, tennis courts or other hard-surfaced areas;
4. Use of water to wash down buildings or structures for purposes other than immediate fire protection;
5. Flushing gutters or permitting water to run or accumulate in any gutter or street;
6. Use of water to fill, refill or add to any indoor or outdoor swimming pools, hot tub or Jacuzzi-type pools;
7. Use of water in a fountain or pond for aesthetic or scenic purposes except where necessary to support aquatic life;
8. Failure to repair a controllable leak(s) within a reasonable period after having been given notice directing the repair of such a leak(s); and
9. Use of water from hydrants for construction purposes or any other purposes than fire fighting.

Odd numbered address: Street addresses, box numbers, or rural postal route numbers ending in 1,3,5,7, or 9.

Prorated: The City's allowable share of surface water per day as set by the GCWA while operating under emergency conditions.

Triggering Criteria: The "safe" operating capacity of the Gulf Coast Water Authority.

Water Source: These regulations apply only to water use supplied by the City.

Section VIII. Criteria for Initiation and Termination of Drought Response Stages

The City's Mayor and his/her designee shall monitor water supply and/or demand conditions on a daily basis and shall determine when conditions warrant initiation or termination of each stage of the Plan, that is, when the specified "triggers" are reached.

Stage 1 Triggers – MILD Water Shortage Conditions

Requirements for Initiation: Customers shall be requested to voluntarily conserve water and adhere to the prescribed restrictions on certain water uses, defined in Section VII-Definitions, when:

1. The Gulf Coast Water Authority's Surface Water Treatment Plant curtails production and/or delivery or if the distribution system is compromised.
2. Average daily water consumption reaches or exceeds 85% prorate share of the deliverable capacity for three (3) consecutive days.
3. The static level of the water wells begin to fall below normal operating conditions.
4. Weather conditions are to be considered in drought classification determinations. Predicted long cold or dry periods and conditions are to be considered in impact analysis.

Requirements for Termination: Stage 1 of the Plan may be rescinded when all of the conditions listed as triggering events have ceased to exist for a period of three (3) consecutive days.

Stage 2 Triggers - MODERATE Water Shortage Conditions

Requirements for Initiation: Customers shall be required to comply with the requirements and restrictions on certain non-essential water uses provided in Section IX of the Plan when:

1. The Gulf Coast Water Authority's Surface Water Treatment Plants curtail production and/or delivery.
2. The static water level in the wells continues to decline.
3. Average daily water usage reaches or exceeds 95% of the prorate share of the deliverable capacity for a three (3) day period.

4. Storage capacity (water level) is not being maintained during period of 100% rated production period.
5. Weather conditions indicate that a mild drought will exist for several days.

Requirements for Termination: Stage 2 of the Plan may be rescinded when all of the conditions listed as triggering events have ceased to exist for a period of three (3) consecutive days. Upon termination of Stage 2, Stage 1 becomes operative.

Stage 3 Triggers – SEVERE Water Shortage Conditions

Requirements for Initiation: Customers shall be required to comply with the requirements and restrictions on certain non-essential water uses for Stage 3 of the Plan when:

1. The Gulf Coast Water Authority's Surface Water Treatment Plant curtails production and/or delivery.
2. The average daily water consumption exceeds the systems capacity.
3. The average daily water consumption will not enable storage levels to be maintained.
4. Failure of two water wells by mechanical failure and/or motor failure.
5. Water system is contaminated either accidentally or intentionally.
6. Water system fails from "acts of God" (tornados, hurricanes) or man. Severe condition is reached immediately upon detection.

Requirements for Termination: Stage 3 of the Plan may be rescinded when all of the conditions listed as triggering events have ceased to exist for a period of three (3) consecutive days. Upon termination of Stage 3, Stage 2 becomes operative.

Stage 4 Triggers – CRITICAL Water Shortage Conditions

Requirements for Initiation: Customers shall be required to comply with the requirements and restrictions for Stage 4 of the Plan when the Mayor or his/her designee determines that a water supply emergency exists based on:

1. Raw water from the Brazos River conveyance system is contaminated and/or the raw water conveyance system is compromised.
2. The Gulf Coast Water Authority's Surface Water Treatment Plant curtails production to 50% capacity due to major storms.
3. Major water main break or system failures occur, which causes unprecedented loss of capability to provide adequate water service.

4. Water system is contaminated either accidentally or intentionally (biologically or chemically).
5. Water system is rendered inoperable or unreliable due to terrorist activity.

Requirements for Termination: Stage 4 of the Plan may be rescinded when all of the conditions listed as triggering events have ceased to exist for a period of three (3) consecutive days. Upon termination of Stage 4, Stage 3 becomes operative.

Stage 5 Triggers – EMERGENCY Water Shortage Conditions

Requirements for Initiation: Customers shall be required to comply with the requirements and restrictions for Stage 5 of this Plan when the mayor, or his/her designee, determines that a water supply emergency exists based on:

1. Raw water serving the Gulf Coast Water Authority's Surface Water Treatment Plant is contaminated and/or the raw water conveyance system is compromised.
2. Major water line breaks, or pump or system failures occur, which cause unprecedented loss of capability to provide water service.
3. Natural or man-made contamination of the water supply sources.
4. Major emergency exists in which water treatment chemicals cannot be delivered to the Gulf Coast Water Authority's surface water treatment plant.

Requirements for Termination: Stage 5 of the Plan may be rescinded when all of the conditions listed as triggering events have ceased to exist for a period of 3 consecutive days.

Stage 6 Triggers – WATER ALLOCATION

Requirements for initiation: Customers shall be required to comply with the water allocation plan prescribed in Section IX of this Plan and comply with the requirements and restrictions for Stage 5 of this Plan when the system is operating at less than 50% capacity and is difficult to maintain adequate distribution pressure.

Requirements for Termination: Water allocation may be rescinded when all of the conditions listed as triggering events have ceased to exist for a period of 3 consecutive days.

Section IX: Drought Response Stages

The City's Mayor and/or his/her designee shall monitor water supply and/or demand conditions on a daily basis and in accordance with the triggering criteria set forth in Section VIII of the Plan, shall determine that a mild, moderate, severe, critical or emergency water shortage condition exists and shall implement the following notification procedures:

Notification

Notification of the Public: The City's Mayor or his/her designee shall notify the public by means of:

- Publication in a newspaper of general circulation
- Direct mail to each customer
- Public service announcements
- Signs posted in public places
- Take-home fliers from schools

Additional Notification: The City's Mayor or his/her designee shall notify directly, or cause to be notified directly, the following individuals and entities based upon the respective drought stages:

- Fire Chief(s)
- TCEQ (required when **mandatory** restrictions are imposed)
- Major water users
- Critical water users, i.e., hospitals and schools
- Parks/street superintendents and public facilities managers
- City and/or County emergency management coordinators

Stage 1 Response – MILD Water Shortage Conditions

Goal: Achieve a voluntary 10% reduction in total daily water consumption.

Supply Management Measures:

1. Develop information center and designate information person.
2. Advise public of condition and publicize availability of information from center.
3. Encourage voluntary reduction of water use.
4. Contact commercial and industrial users and explain necessity for initiation of strict conservation methods.
5. Implementation of system oversight and make adjustments as required to meet changing conditions.
6. Discontinue flushing of water mains.

Voluntary Water Use Restrictions:

1. Water customers are requested to voluntarily limit the irrigations of landscaped areas

to Sundays and Thursdays for customers with an even number address, and Saturdays and Wednesdays for customers with an odd number address, and to irrigate landscapes only between the hours of midnight and 10:00 a.m. and 8:00 p.m. to midnight on designated watering days.

2. All operations of the City shall adhere to water use restrictions prescribed in Stage 2 of the Plan.
3. Water customers are requested to practice water conservation and to minimize or discontinue water use for non-essential purposes. Water conservation information is available at the City Hall and Public Works Office.

Stage 2 Response – MODERATE Water Shortage Conditions

Goal: Achieve a 15% reduction in total daily water demand

Supply Management Measures:

1. City will reduce or discontinue flushing water mains.
2. Reduce or discontinue irrigation of landscape areas.
3. During winter months, request that customers insulate pipes rather than running their water to prevent freezing.

Water Use Restrictions: Under threat of penalty for violation, the following water use restrictions shall apply to all persons:

1. Irrigation of landscaped areas with hose-end sprinklers or automatic irrigation systems shall be limited to Sundays and Thursdays for customers with an even number street address, and Saturdays and Wednesdays for customers with an odd number street address, and irrigation of landscaped areas is further limited to the hours of 12:00 midnight until 10:00 a.m.. and between 8:00 p.m.. and 12:00 midnight on designated watering days. However, irrigation of landscaped areas is permitted at anytime if it is by means of a hand-held hose, a faucet filled bucket or watering can of five (5) gallons or less, or drip irrigation system.
2. Use of water to wash any motor vehicle, motorbike, boat, trailer, airplane or other vehicle is prohibited except on designated watering days between the hours of 12:00 midnight and 10:00 a.m.. and between 8:00 p.m.. and 12:00 midnight. Such washing, when allowed, shall be done with a hand-held bucket or a hand-held hose equipped with a positive shutoff nozzle for quick rinses. Vehicle washing may be done at any time on the immediate premises of a commercial car wash or commercial service station. Further, such washing may be exempted from these regulations if the health, safety and welfare of the public is contingent upon frequent vehicle cleansing, such as garbage trucks and vehicles used to transport food and perishables.

3. Use of water to fill, refill or add to any indoor or outdoor swimming pools, wading pools or Jacuzzi-type pools is prohibited except on designated watering days between the hours of 12:00 midnight and 10:00 a.m. and between 8:00 p.m. and 12:00 midnight.
4. Operation of any ornamental fountain or pond for aesthetic or scenic purposes is prohibited except where necessary to support aquatic life or where such fountains or ponds are equipped with a recirculation system.
5. Use of water from hydrants shall be limited to fire fighting, related activities or other activities necessary to maintain public health, safety and welfare, except that use of water from designated fire hydrants for construction purposes may be allowed under special permit from the City.
6. The following uses of water are defined as non-essential and are prohibited:
 - a. Wash down of any sidewalks, driveways, parking lots, tennis courts, or other hard-surfaced areas.
 - b. Use of water to wash down buildings or structures for purposes other than immediate fire protection.
 - c. Use of water for dust control.
 - d. Flushing gutters or permitting water to run or accumulate in any gutter or street.
 - e. Failure to repair a controllable leak(s) within a reasonable period after having been given notice directing the repair of such leak(s).

Stage 3 Response – SEVERE Water Shortage Conditions

Goal: Achieve a 25% reduction in total daily consumption.

Supply Management Measures:

1. City will reduce or discontinue flushing water mains.
2. Reduce or discontinue irrigation of landscape areas.
3. During winter months, request that customers insulate pipes rather than running their water to prevent freezing.

Water Use Restrictions: All requirements of Stage 2 shall remain in effect during Stage 3 except:

1. Irrigation of landscaped areas shall be limited to designated watering days between the hours of 12:00 midnight and 10:00 a.m. and between 8:00 p.m. and 12:00

midnight and shall be by means of hand-held hoses, hand-held buckets, drip irrigation or permanently installed automatic sprinkler system only. The use of hose-end sprinklers is prohibited at all times.

2. Use of water to wash any motor vehicle, motorbike, boat, trailer, airplane or other vehicle not occurring on the premises of a commercial car wash and commercial service stations and not in the immediate interest of public health, safety and welfare is prohibited. Further, such vehicle washing at commercial car washes and commercial service stations shall occur only between the hours of 6:00 a.m. and 10:00 a.m. and between 6:00 p.m. and 10:00 p.m.
3. The filling, refilling or adding of water to swimming pools, wading pools and Jacuzzi-type pools is prohibited.
4. No application for new, additional, expanded or increased-in-size water service connections, meters, service lines, pipeline extensions, mains or water service facilities of any kind shall be approved, and time limits for approval of such applications are hereby suspended for such time as this drought response stage or a higher-numbered stage shall be in effect.
5. The use of water for construction purposes from designated fire hydrants under special permit is to be discontinued.
6. All restaurants are prohibited from serving water to patrons except upon request.

Stage 4 Response – CRITICAL Water Shortage Conditions

Goal: Achieve a 35% reduction in total daily consumption.

Best Management Practices for Supply Management:

1. City will reduce or discontinue flushing water mains.
2. Reduce or discontinue irrigation of landscape areas.
3. During winter months, request that customers insulate pipes rather than running their water to prevent freezing.

Water Use Restrictions for Reducing Demand: All requirements of Stage 2 and 3 shall remain in effect during Stage 4 except:

1. Irrigation of landscaped areas shall be limited to designated watering days between the hours of 6:00 a.m. and 10:00 a.m. and between 8:00 p.m. and 12:00 midnight and shall be by means of hand-held hoses, hand-held buckets, or drip irrigation only. The use of hose-end sprinklers or permanently installed automatic sprinkler systems are prohibited at all times.

2. Use of water to wash any motor vehicle, motorbike, boat, trailer, airplane or other vehicle not occurring on the premises of a commercial car wash and commercial service stations and not in the immediate interest of public health, safety, and welfare is prohibited. Further, such vehicle washing at commercial car washes and commercial service stations shall occur only between the hours of 6:00 a.m. and 10:00 a.m. and between 6:00 p.m. and 10:00 p.m.
3. The filling, refilling, or adding of water to swimming pools, wading pools, and jacuzzi-type pools is prohibited.
4. Operation of any ornamental fountain or pond for aesthetic or scenic purposes is prohibited except where necessary to support aquatic life or where such fountains or ponds are equipped with a recirculation system.
5. No application for new, additional, expanded or increased-in-size water service connections, meters, service lines, pipeline extensions, mains or water service facilities of any kind shall be approved, and time limits for approval of such applications are hereby suspended for such time as this drought response stage or a higher-numbered stage shall be in effect.

Stage 5 Response – EMERGENCY Water Shortage Conditions

Goal: Achieve a 45% reduction in total daily water demand.

Best Management Practices for Supply Management:

1. The City will discontinue the flushing of water mains.
2. Reduce the irrigation of public landscaped areas.
3. Use non-potable re-claimed water such as from the bathtub, sink, and/or washing machine for outside watering.
4. Use well water.

Water Use Restrictions for Reducing Demand: All requirements of Stage 2, 3, and 4 shall remain in effect during Stage 5 except:

1. Irrigation of landscaped areas is absolutely prohibited.
2. Use of water to wash any motor vehicle, motorbike, boat, trailer, airplane or other vehicle is absolutely prohibited.

Stage 6 Response – Water Allocation

In the event that water shortage conditions threaten public health, safety and welfare, the Mayor or his/her designee is hereby authorized to allocate water according to the following water allocation plan.

Single Family Residential Customers

The allocation to residential water customers residing in a single-family dwelling shall be as follows:

<u>Persons per Household</u>	<u>Gallons per Month</u>
1 or 2	6,000
3 or 4	7,000
5 or 6	8,000
7 or 8	9,000
9 or 10	10,000
11 or more	12,000

“Household” means the residential premises served by the customer’s meter. “Persons per Household” includes only those persons currently physically residing at the premises and expected to reside there for the entire billing period. It shall be assumed that a particular customer’s household is comprised of two (2) persons unless the customer notifies the City of a greater number of persons per household on a form prescribed by the Mayor and/or his/her designee. The Mayor and/or his/her designee shall give his/her best effort to see that such forms are mailed, otherwise provided, or made available to every residential customer. If, however, a customer does not receive such a form, it shall be the customer’s responsibility to go the City offices to complete and sign the form claiming more than two (2) persons per household. New customers may claim more persons per household at the time of applying for water service on the form prescribed by the Mayor. When the number of persons per household increases so as to place the customer in a different allocation category, the customer shall notify the City on such form and the change will be implemented in the next practicable billing period. If the number of persons in a household is reduced, the customer shall notify the City in writing within two (2) days. In prescribing the method for claiming more than two (2) persons per household, the Mayor and/or his/her designee shall adopt methods to insure the accuracy of the claim. Any person who knowingly, recklessly, or with criminal negligence falsely reports the number of persons in a household or fails to timely notify the City of a reduction in the number of persons in the household shall be fined not less than \$200.00.

Residential water customers shall pay the following surcharges:

- \$50 for the first 1,000 gallons over allocation
- \$100 for the second 1,000 gallons over allocation
- \$200 for the third 1,000 gallons over allocation
- \$300 for each additional 1,000 gallons over allocation

Surcharges shall be cumulative.

Master-Metered Multi-Family Residential Customers

The allocation to a customer billed from a master meter which jointly measures water to multiple permanent residential dwelling units (example: apartments, mobile homes) shall be allocated 6,000 gallons per month for each dwelling unit. It shall be assumed that such a customer's meter serves two dwelling units unless the customer notifies the City of a greater number on a form prescribed by the Mayor and/or his/her designee. The Mayor and/or his/her designee shall give his/her best effort to see that such forms are mailed, otherwise provided, or made available to every such customer. If, however, a customer does not receive such a form, it shall be the customer's responsibility to go to the City of La Marque offices to complete and sign the form claiming more than two (2) dwellings. A dwelling unit may be claimed under this provision whether it is occupied or not. New customers may claim more dwelling units at the time of applying for water service on the form prescribed by the Mayor. If the number of dwelling units served by a master meter is reduced, the customer shall notify the City of La Marque in writing within two (2) days, the Mayor and/or his/her designee shall adopt methods to insure the accuracy of the claim. Any person who knowingly, recklessly, or with criminal negligence falsely reports the number of dwelling units served by a master meter or fails to timely notify the City of La Marque of a reduction in the number of person in a households shall be fined not less than \$200. Customers billed from a master meter under this provision shall pay the following monthly surcharges:

- \$50 for 1,000 gallons over allocation up through 1,000 gallons for each dwelling unit.
- \$100, thereafter for each additional \$1,000 gallons over allocation up through a second 1,000 gallons for each dwelling unit.
- \$200, thereafter for each additional \$1,000 gallons over allocation up through a third 1,000 gallons for each dwelling unit.
- \$300, thereafter for each additional 1,000 gallons over allocation.

Surcharges shall be cumulative

Commercial Customers

A monthly water allocation shall be established by the Mayor or his/her designee, for each non-residential commercial customer other than an industrial customer who uses water for processing purposes. The non-residential customer's allocation shall be approximately 75% of the customer's usage for corresponding month's billing period for the previous 12 months. If the customer's billing history is shorter than 12 months, the monthly average for the period for which there is a record shall be used for any monthly period for which no history exists. However, a customer 75% of whose monthly usage is less than 6,000 gallons shall be allocated 6,000 gallons. The Mayor and/or his/her designee shall give his/her best effort to see that notice of each non-residential customer's allocation is mailed to such customer. If, however, a customer does not receive such notice, it shall be the customer's responsibility to contact the City to determine the allocation. Upon request of the customer or at the initiative of the Mayor, the allocation may be reduced or increased if, 1) the designated period does not accurately reflect the customer's normal water usage, 2) one non-residential customer agrees to transfer part of its allocation to another non-residential customer or 3) other objective evidence demonstrates that the designated allocation is inaccurate under present conditions. A customer may appeal an allocation established hereunder to the Mayor and/or his/her designee. Non-residential commercial customers shall pay the following surcharges:

Customers whose allocation is 6,000 gallons through 10,000 gallons per month:

- \$100 per 1,000 gallons for the first 1,000 gallons over allocation
- \$200 per 1,000 gallons for the second 1,000 gallons over allocation
- \$300 per 1,000 gallons for the third 1,000 gallons over allocation
- \$400 per 1,000 gallons for each additional 1,000 gallons over allocation

Customers whose allocation is 10,001 gallons per month or more:

- 5 times the block rate for each 1,000 gallons in excess of the allocation up through 5% above allocation
- 10 times the block rate for each 1,000 gallons from 5% through 10% above allocation
- 15 times the block rate for each 1,000 gallons from 10% through 15% above allocation
- 20 times the block rate for each 1,000 gallons more than 15% above allocation

The surcharges shall be cumulative. As used herein, "block rate" means the charge to the customer per 1,000 gallons at the regular water rate schedule at the level of the customer's allocation.

Industrial Customers

A monthly water allocation shall be established by the Mayor or his/her designee, for each industrial customer, which uses water for processing purposes. The industrial customer's allocation shall be approximately 90% of the customer's water usage baseline. Ninety (90) days after the initial imposition of the allocation for industrial customers, the industrial customer's allocation shall be further reduced to 85% of the customer's water usage baseline. The industrial customer's water use baseline will be computed on the average water use for the 12 month period ending prior to the date of implementation of Stage 2 of the Plan. If the industrial water customer's billing history is shorter than 12 months, the monthly average for the period for which there is a record shall be used for any monthly period for which no billing history exists. The Mayor and/or his/her designee shall give his/her best effort to see that notice of each industrial customer's allocation is mailed to such customer. If, however, a customer does not receive such notice, it shall be the customer's responsibility to contact the City to determine the allocation. Upon request of the customer or at the initiative of the Mayor and/or his/her designee, the allocation may be reduced or increased, 1) if the designated period does not accurately reflect the customer's normal water use because the customer had shutdown a major processing unit for repair or overhaul during the period, 2) the customer has added or is in the process of adding significant additional processing capacity, 3) the customer has previously implemented significant permanent water conservation measures such that the ability to further reduce water use is limited, 5) the customer agrees to transfer part of its allocation to another industrial customer, or 6) if other objective evidence demonstrates that the designated allocation is inaccurate under present conditions. A customer may appeal an allocation established hereunder to the Mayor and/or his/her designee. Industrial customers shall pay the following surcharges.

Customers whose allocation is 6,000 gallons through 10,000 gallons per month:

- \$100 per 1,000 gallons for the first 1,000 gallons over allocation
- \$200 per 1,000 gallons for the second 1,000 gallons over allocation
- \$300 per 1,000 gallons for the third 1,000 gallons over allocation
- \$400 per 1,000 gallons for each additional 1,000 gallons over allocation

Customers whose allocation is 10,001 gallons per month or more:

- 5 times the block rate for each 1,000 gallons in excess of the allocation up through 5% above allocation
- 10 times the block rate for each 1,000 gallons from 5% through 10% above allocation
- 15 times the block rate for each 1,000 gallons from 10% through 15% above allocation
- 20 times the block rate for each 1,000 gallons more than 15% above allocation

allocation

The surcharges shall be cumulative. As used herein, "block rate" means the charge to the customer per 1,000 gallons at the regular water rate schedule at the level of the customer's allocation.

Section X. Enforcement

1. No person shall knowingly or intentionally allow the use of water from the City for residential, commercial, industrial, agricultural, governmental or any other purpose in a manner contrary to any provision of the Plan, or in an amount in excess of that permitted by the drought response stage in effect at the time pursuant to action taken by the City's Mayor or his/her designee, in accordance with provisions of the Plan.
2. Any person who violates the Plan is guilty of a misdemeanor and upon conviction shall be punished by a fine of not less than One Hundred Dollars (\$100.00) and not more than Two Hundred Dollars (\$200.00) each day that one or more of the provisions in the Plan is violated. Each violation shall constitute a separate offense. If a person is convicted of three (3) or more distinct violations of the Plan, the Mayor and/or his/her designee shall, upon due notice to the customer, be authorized to discontinue water service to the premises where such violations occurred. Services discontinued under such circumstances shall be restored only upon payment of a re-connection charge, hereby established at two hundred dollars (\$200.00), and any other costs incurred by the City in discontinuing a service. In addition, suitable assurance must be given to the City's Mayor and/or his/her designee that the same action shall not be repeated while the Plan is in effect. Compliance with the Plan may also be sought through injunctive relief in the City Court.
3. Any person, including a person classified as a water customer of the City, in apparent control of the property where a violation occurs or originates shall be presumed to be the violator, and proof that the violation occurred on the person's property shall constitute a rebuttable presumption that the person in apparent control of the property committed the violation, but any such person shall have the right to show that he/she did not commit the violation. Parents shall be presumed to be responsible for violations of their minor children and proof that a violation committed by a child occurred on property within the parent's control shall constitute a rebuttable presumption that the parent committed the violation, but any such parent may be excused if he/she proves that he/she had previously directed the child not to use the water as it was used in violation of the Plan and that the parent could not have reasonably known of the violation.
4. Any employee of the City, police officer, or other City employee designated by the City's Mayor may issue a citation to a person he/she reasonably believes to be in violation of this Ordinance. The citation shall be prepared in duplicate and shall contain the name and address of the alleged violator, if known, the offense charged, and shall direct him/her to appear in the designated Municipal Court on the date shown on the citation, which date shall not be less than three (3)

days or more than five (5) days from the date the citation was issued. The alleged violator shall be served a copy of the citation. Service of the citation shall be complete upon delivery of the citation to the alleged violator, to an agent or employee of a violator, or to a person over 14 years of age who is a member of the violator's residence. The alleged violator shall appear in the Municipal Court designated on the citation to enter a plea of guilty or not guilty for the violation of the Plan. If the alleged violator fails to appear in the Municipal Court, a warrant for his/her arrest may be issued. A summons to appear may be issued in lieu of an arrest warrant. These cases shall be expedited and given preferential setting in Municipal Court before all other cases.

Section XI. Variances

The City's Mayor or his/her designee may, in writing, grant temporary variance for existing water uses otherwise prohibited under the Plan if it is determined that failure to grant such variance would cause an emergency condition adversely affecting the health, sanitation or fire protection for the public or the person requesting such variance and if one or more of the following conditions are met:

- a. Compliance with the Plan cannot be technically accomplished during the duration of the water supply shortage or other condition for which the Plan is in effect.
- b. Alternative methods can be implemented which will achieve the same level of reduction in water use.

Persons requesting an exemption from the provisions of this Ordinance shall file a petition for variance with the City within five (5) days after the Plan or a particular drought response stage has been invoked. All petitions for variances shall be reviewed by the City's Mayor or his/her designee and shall include the following:

- a. Name and address of the petitioner(s).
- b. Purpose of water use.
- c. Specific provision(s) of the Plan from which the petitioner is requesting relief.
- d. Detailed statement as to how the specific provision of the Plan adversely affects the petitioner or what damage or harm will occur to the petitioner or others if petitioner complies with this Ordinance.
- e. Description of the relief requested.
- f. Period of time for which the variance is sought.
- g. Alternative water use restrictions or other measures the petitioner is taking or proposes to take to meet the intent of the Plan and the compliance date.
- h. Other pertinent information.

Variances granted by the City shall be subject to the following conditions, unless waived or modified by the City's Mayor or his/her designee.

- a. Variances granted shall include a timetable for compliance.
- b. Variances granted shall expire when the Plan is no longer in effect, unless the petitioner has failed to meet specified requirements.

No variance shall be retroactive or otherwise justify any violation of the Plan occurring prior to the issuance of the variance.

EXHIBIT A

**ORDINANCE FOR ADOPTION OF A
DROUGHT CONTINGENCY AND WATER CONSERVATION PLAN**

ORDINANCE NUMBER 1022

AN ORDINANCE OF THE CITY OF LA MARQUE, TEXAS AMENDING CHAPTER 68, ARTICLE V, SECTION 68-138, OF THE CODE OF ORDINANCES, CITY OF LA MARQUE, TEXAS, TO ADOPT A WATER CONSERVATION PLAN AND A DROUGHT CONTINGENCY PLAN.

WHEREAS, the City of La Marque, Texas recognizes that the amount of water available to the City and its water utility customers is limited and subject to depletion during periods of extended drought;

WHEREAS, Section 11.1272 and Subchapter A of Chapter 288 of the Texas Water Code and applicable rules of the Texas Commission on Environmental Quality require all public water supply systems in Texas to prepare a Water Conservation Plan and a Drought Contingency Plan.

NOW THEREFORE

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LA MARQUE, TEXAS:

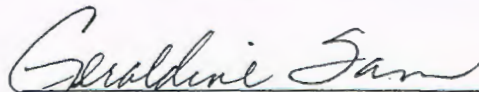
That Chapter 68, Article V, Section 681-38, is hereby amended to read as follows:

"Section 68-138 Adopted.

- (a) The City of La Marque, Texas, Water Conservation Plan attached hereto as Exhibit "A" is hereby adopted.
- (b) The City of La Marque, Texas, Drought Contingency Plan attached hereto as Exhibit "B" is hereby adopted.

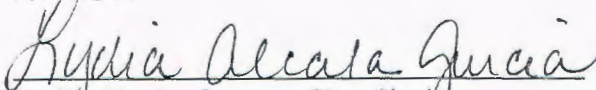
PASSED AND APPROVED on the first reading by the City Council of the City of La Marque, Texas on this the 13th day of July, 2009.

PASSED AND ADOPTED on the second and final reading by the City Council of the City of La Marque, Texas on this the 10th day of August, 2009.



Geraldine Sam, Mayor
City of La Marque, Texas

ATTEST:


Lydia Alcala-Garcia, City Clerk



CITY COUNCIL AGENDA FORM

Meeting Date: April 25, 2014
Prepared by: Suzy Kou
Department: Finance

Agenda item: 4
Reviewed by: Carol Buttler

AGENDA ITEM DESCRIPTION: Discussion and provide City Manager direction on City of La Marque water and sewer rates in comparison to other cities and city current adjustment policies.

- ☒ Attachments for reference
1. Current water and sewer rates structure
 2. Survey on rates in nearby cities
 3. Survey conducted by TML from cities in Texas
 4. Presentation slides-rate structure part I
 5. Presentation slides-rate structure part II
 6. Current City adjustment policy

Staff Briefing: Due to drought and other issues, the city should be reviewing our water and sewer rates annually and assess our condition as part of the annual budget process regularly.

History:

Target Implementation: October 1, 2014

Significant Action Dates:

Action:

- | | |
|---|---|
| ☐ Ordinance | ☐ Resolution |
| ☐ Proclamation | ☐ Special Presentation |
| ☐ Finance Report | ☐ Public Hearing |
| ☐ Other (be Specific) | |
| ☐ Check box if there is no conflict with City Charter, ordinances, resolutions, or policies. | |

Cost Details:	
Budgeted	
Actual Bid	
Estimated Expenditure	
Acct. Name	
Line Items #	
Other Funding	

Staff's Recommendation: Discussion only

Fiscal Impact:

Residential Rates Effective April 1, 2010						
Gallons	Water	Sewer	Garbage Rate	Tax	CAS	Total
	\$ 7.75	\$ 17.15	\$ 14.60	\$ 1.20	\$ 0.20	\$ 40.90
1,000	\$ 7.75	\$ 17.15	\$ 14.60	\$ 1.20	\$ 0.20	\$ 40.90
2,000	\$ 11.05	\$ 20.05	\$ 14.60	\$ 1.20	\$ 0.20	\$ 47.10
3,000	\$ 14.35	\$ 22.95	\$ 14.60	\$ 1.20	\$ 0.20	\$ 53.30
4,000	\$ 17.65	\$ 25.85	\$ 14.60	\$ 1.20	\$ 0.20	\$ 59.50
5,000	\$ 20.95	\$ 28.75	\$ 14.60	\$ 1.20	\$ 0.20	\$ 65.75
6,000	\$ 24.25	\$ 31.65	\$ 14.60	\$ 1.20	\$ 0.20	\$ 71.90
7,000	\$ 27.55	\$ 34.55	\$ 14.60	\$ 1.20	\$ 0.20	\$ 78.10
8,000	\$ 30.85	\$ 37.45	\$ 14.60	\$ 1.20	\$ 0.20	\$ 84.30
9,000	\$ 34.15	\$ 40.35	\$ 14.60	\$ 1.20	\$ 0.20	\$ 90.50
10,000	\$ 37.45	\$ 43.25	\$ 14.60	\$ 1.20	\$ 0.20	\$ 96.70
11,000	\$ 40.75	\$ 46.15	\$ 14.60	\$ 1.20	\$ 0.20	\$ 102.90
12,000	\$ 44.05	\$ 49.05	\$ 14.60	\$ 1.20	\$ 0.20	\$ 109.10
13,000	\$ 47.35	\$ 51.95	\$ 14.60	\$ 1.20	\$ 0.20	\$ 115.30
14,000	\$ 50.65	\$ 54.85	\$ 14.60	\$ 1.20	\$ 0.20	\$ 121.50
15,000	\$ 53.95	\$ 57.75	\$ 14.60	\$ 1.20	\$ 0.20	\$ 127.70
16,000	\$ 57.25	\$ 57.75	\$ 14.60	\$ 1.20	\$ 0.20	\$ 131.00
17,000	\$ 60.55	\$ 57.75	\$ 14.60	\$ 1.20	\$ 0.20	\$ 134.30
18,000	\$ 63.85	\$ 57.75	\$ 14.60	\$ 1.20	\$ 0.20	\$ 137.60
19,000	\$ 67.15	\$ 57.75	\$ 14.60	\$ 1.20	\$ 0.20	\$ 140.90
20,000	\$ 70.45	\$ 57.75	\$ 14.60	\$ 1.20	\$ 0.20	\$ 144.20
21,000	\$ 73.75	\$ 57.75	\$ 14.60	\$ 1.20	\$ 0.20	\$ 147.50
22,000	\$ 77.05	\$ 57.75	\$ 14.60	\$ 1.20	\$ 0.20	\$ 150.80
23,000	\$ 80.35	\$ 57.75	\$ 14.60	\$ 1.20	\$ 0.20	\$ 154.10
24,000	\$ 83.65	\$ 57.75	\$ 14.60	\$ 1.20	\$ 0.20	\$ 157.40
25,000	\$ 86.95	\$ 57.75	\$ 14.60	\$ 1.20	\$ 0.20	\$ 160.70
26,000	\$ 90.25	\$ 57.75	\$ 14.60	\$ 1.20	\$ 0.20	\$ 164.00
27,000	\$ 93.55	\$ 57.75	\$ 14.60	\$ 1.20	\$ 0.20	\$ 167.30
28,000	\$ 96.85	\$ 57.75	\$ 14.60	\$ 1.20	\$ 0.20	\$ 170.60
29,000	\$ 100.15	\$ 57.75	\$ 14.60	\$ 1.20	\$ 0.20	\$ 173.90
30,000	\$ 103.45	\$ 57.75	\$ 14.60	\$ 1.20	\$ 0.20	\$ 177.20
31,000	\$ 106.75	\$ 57.75	\$ 14.60	\$ 1.20	\$ 0.20	\$ 180.50
32,000	\$ 110.05	\$ 57.75	\$ 14.60	\$ 1.20	\$ 0.20	\$ 183.80
33,000	\$ 113.35	\$ 57.75	\$ 14.60	\$ 1.20	\$ 0.20	\$ 187.10
34,000	\$ 116.65	\$ 57.75	\$ 14.60	\$ 1.20	\$ 0.20	\$ 190.40
35,000	\$ 119.95	\$ 57.75	\$ 14.60	\$ 1.20	\$ 0.20	\$ 193.70
36,000	\$ 123.25	\$ 57.75	\$ 14.60	\$ 1.20	\$ 0.20	\$ 197.00
37,000	\$ 126.55	\$ 57.75	\$ 14.60	\$ 1.20	\$ 0.20	\$ 200.30
38,000	\$ 129.85	\$ 57.75	\$ 14.60	\$ 1.20	\$ 0.20	\$ 203.60
39,000	\$ 133.15	\$ 57.75	\$ 14.60	\$ 1.20	\$ 0.20	\$ 206.90
40,000	\$ 136.45	\$ 57.75	\$ 14.60	\$ 1.20	\$ 0.20	\$ 210.20

Per thousand Water \$3.30 Sewer \$2.90 CAS \$.20

Abnormal Consumption Water \$1.65 Sewer \$1.45

	<i>Residential Rates for Seniors</i>					
<i>Gallons</i>	<i>Water</i>	<i>Sewer</i>	<i>Garbage Rate</i>	<i>Tax</i>	<i>CAS</i>	<i>Total</i>
	\$ 7.75	\$ 16.15	\$14.08	\$1.16	\$ 0.20	\$ 39.34
1,000	\$ 7.75	\$ 16.15	\$14.08	\$ 1.16	\$ 0.20	\$ 39.34
2,000	\$ 11.05	\$ 19.05	\$14.08	\$ 1.16	\$ 0.20	\$ 45.54
3,000	\$ 14.35	\$ 21.95	\$14.08	\$ 1.16	\$ 0.20	\$ 51.74
4,000	\$ 17.55	\$ 24.85	\$14.08	\$ 1.16	\$ 0.20	\$ 57.84
5,000	\$ 20.95	\$ 27.75	\$14.08	\$ 1.16	\$ 0.20	\$ 64.14
6,000	\$ 24.25	\$ 30.65	\$14.08	\$ 1.16	\$ 0.20	\$ 70.34
7,000	\$ 27.55	\$ 33.55	\$14.08	\$ 1.16	\$ 0.20	\$ 76.54
8,000	\$ 30.85	\$ 36.45	\$14.08	\$ 1.16	\$ 0.20	\$ 82.74
9,000	\$ 34.15	\$ 39.35	\$14.08	\$ 1.16	\$ 0.20	\$ 88.94
10,000	\$ 37.45	\$ 42.25	\$14.08	\$ 1.16	\$ 0.20	\$ 95.14
11,000	\$ 40.75	\$ 45.15	\$14.08	\$ 1.16	\$ 0.20	\$ 101.34
12,000	\$ 44.05	\$ 48.05	\$14.08	\$ 1.16	\$ 0.20	\$ 107.54
13,000	\$ 47.35	\$ 50.95	\$14.08	\$ 1.16	\$ 0.20	\$ 113.74
14,000	\$ 50.65	\$ 53.85	\$14.08	\$ 1.16	\$ 0.20	\$ 119.94
15,000	\$ 53.95	\$ 56.75	\$14.08	\$ 1.16	\$ 0.20	\$ 126.14
16,000	\$ 57.25	\$ 56.75	\$14.08	\$ 1.16	\$ 0.20	\$ 129.44
17,000	\$ 60.55	\$ 56.75	\$14.08	\$ 1.16	\$ 0.20	\$ 132.74
18,000	\$ 63.85	\$ 56.75	\$14.08	\$ 1.16	\$ 0.20	\$ 136.04
19,000	\$ 67.15	\$ 56.75	\$14.08	\$ 1.16	\$ 0.20	\$ 139.34
20,000	\$ 70.45	\$ 56.75	\$14.08	\$ 1.16	\$ 0.20	\$ 142.64
21,000	\$ 73.75	\$ 56.75	\$14.08	\$ 1.16	\$ 0.20	\$ 145.94
22,000	\$ 77.05	\$ 56.75	\$14.08	\$ 1.16	\$ 0.20	\$ 149.24
23,000	\$ 80.35	\$ 56.75	\$14.08	\$ 1.16	\$ 0.20	\$ 152.54
24,000	\$ 83.65	\$ 56.75	\$14.08	\$ 1.16	\$ 0.20	\$ 155.84
25,000	\$ 86.95	\$ 56.75	\$14.08	\$ 1.16	\$ 0.20	\$ 159.14
26,000	\$ 90.25	\$ 56.75	\$14.08	\$ 1.16	\$ 0.20	\$ 162.44
27,000	\$ 93.55	\$ 56.75	\$14.08	\$ 1.16	\$ 0.20	\$ 165.74
28,000	\$ 96.85	\$ 56.75	\$14.08	\$ 1.16	\$ 0.20	\$ 169.04
29,000	\$ 100.15	\$ 56.75	\$14.08	\$ 1.16	\$ 0.20	\$ 172.34
30,000	\$ 103.45	\$ 56.75	\$14.08	\$ 1.16	\$ 0.20	\$ 175.64
31,000	\$ 106.75	\$ 56.75	\$14.08	\$ 1.16	\$ 0.20	\$ 178.94
32,000	\$ 110.05	\$ 56.75	\$14.08	\$ 1.16	\$ 0.20	\$ 182.24
33,000	\$ 113.35	\$ 56.75	\$14.08	\$ 1.16	\$ 0.20	\$ 185.54
34,000	\$ 116.65	\$ 56.75	\$14.08	\$ 1.16	\$ 0.20	\$ 188.84
35,000	\$ 119.95	\$ 56.75	\$14.08	\$ 1.16	\$ 0.20	\$ 192.14
36,000	\$ 123.25	\$ 56.75	\$14.08	\$ 1.16	\$ 0.20	\$ 195.44
37,000	\$ 126.55	\$ 56.75	\$14.08	\$ 1.16	\$ 0.20	\$ 198.74
38,000	\$ 129.85	\$ 56.75	\$14.08	\$ 1.16	\$ 0.20	\$ 202.04
39,000	\$ 133.15	\$ 56.75	\$14.08	\$ 1.16	\$ 0.20	\$ 205.34
40,000	\$ 136.45	\$ 56.75	\$14.08	\$ 1.16	\$ 0.20	\$ 208.64

Per thousand Water \$3.30 Sewer \$2.90 CAS \$.20

Abnormal Consumption Water \$1.65 Sewer \$1.45

	Residential				Commercial			
	Water		Sewer		Water		Sewer	
	5,000 Gallons	10,000 Gallons	5,000 Gallons	10,000 Gallons	50,000 Gallons	200,000 Gallons	50,000 Gallons	200,000 Gallons
2014 TTC Survey Average	\$26.38	\$42.55	\$24.69	\$40.44	\$228.85	\$826.64	\$178.75	\$651.72
City of La Marque	\$20.95	\$37.45	\$28.75	\$43.25	\$172.75	\$667.75	\$162.15	\$597.15
City of Dickinson/Santa Fe	\$21.51	\$42.61	\$17.49	\$28.54	\$211.45	\$844.60	\$451.14	\$119.49
City of Texas City	\$25.90	\$45.05	\$32.51	\$25.50	\$198.50	\$510.00	\$127.50	\$510.00
City of Friendswood	\$31.00	\$29.50	\$30.00	\$44.50	\$160.50	\$595.50	\$420.50	\$595.00
Tiki Island	\$33.50	\$63.00	\$24.50	\$57.00	\$361.80	\$1,396.80	\$170.40	\$620.40
Bayou Vista	\$33.50	\$51.00	\$25.00	\$30.00	\$366.00	\$1,416.00	\$170.00	\$620.00
City of League City	\$36.63	\$42.07	\$36.98	\$60.08	\$244.88	\$937.88	\$302.13	\$1,187.13
City of Galveston	\$123.90	\$247.80	\$189.80	\$379.60	\$1,239.00	\$4,956.00	\$1,898.00	\$7,592.00

Galveston charges by the cubic foot \$12.39 water \$18.98 sewer

Source: *Texas Town and City Magazine May 2013*



2013 TML Water and Wastewater Survey Results

The results of the 2013 water and wastewater rate survey conducted by the Texas Municipal League are now posted on the TML website at www.tml.org. In addition, you can access previous years' results. If you have difficulty accessing this information, please contact Rachael Pitts at rpitts@tml.org or 512-231-7400.

The survey was sent to all 1,213 Texas cities; 865 cities responded. Information is presented only for cities that provide water and wastewater services to their residents. Information for cities that provide water and

wastewater services through municipal utility districts, interlocal agreements, and other private sources is not included in the survey. The information contained in the survey results was provided by the cities, and TML made no attempt to verify the accuracy of information reported. Where no response to a specific question was received, a zero is used to indicate no response; zeroes are not included in the computations of averages.

A total of 694 cities reported that they provide water service to their residents. The average cost of water usage of 5,000 gallons in all cities is

\$31.65, an increase of 4.11 percent over the 2012 average of \$30.40. The average monthly residential consumption in all cities is 6,623 gallons. Chart 1 shows average residential and commercial water rates by city size.

Wastewater service is provided in 664 of the cities responding to the survey. The average cost of wastewater service for residential usage of 5,000 gallons is \$24.42, an increase of 2.48 percent over last year's average of \$23.83. Chart 2 shows average residential and commercial wastewater rates by city size.

(continued on page 24)

**CHART 1: WATER FEES BY POPULATION CATEGORY
SUMMARY 2013**

Population Group	No. of Cities Reporting	Residential Water				Commercial Water	
		Average Fee For		Avg. Total Customers	Average Usage	Average Fee For	
		5,000 Gal.	10,000 Gal.			50,000 Gal.	200,000 Gal.
2,000 OR LESS	303	35.55	57.80	443	5,763	257.88	970.02
2,001 - 5,000	139	30.62	47.84	1,312	6,491	224.81	942.07
5,001 - 10,000	84	29.52	46.97	2,579	7,333	234.68	885.79
10,001 - 15,000	43	26.38	42.55	5,373	7,469	228.85	826.64
15,001 - 20,000	32	28.60	44.20	5,586	7,486	232.19	796.07
20,001 - 25,000	12	28.78	45.40	8,338	8,454	208.48	877.31
25,001 - 30,000	12	30.07	50.17	9,385	8,924	235.69	768.00
30,001 - 50,000	27	26.64	43.69	12,490	7,772	230.28	816.22
50,001 - 75,000	8	25.79	46.34	16,926	7,574	266.36	963.38
75,001 - 100,000	8	23.17	38.82	27,948	7,830	191.99	657.17
100,001 - 200,000	17	23.45	38.72	40,508	8,349	197.50	702.67
200,001 - 350,000	4	25.01	43.40	76,365	9,601	263.46	876.70
350,001 - 500,000	1	17.41	32.31	100,104	10,000	175.34	535.34
MORE THAN 500,000	4	19.36	37.57	246,842	8,417	212.58	759.88
Total/Averages	694	31.65	50.96	5,711	6,623	239.22	907.89

(continued from page 22)

**CHART 2: WASTEWATER FEES BY POPULATION CATEGORY
SUMMARY 2013**

Population Group	No. of Cities Reporting	Residential Sewer			Commercial Sewer	
		Average Fee For		Avg. Total Customers	Average Fee For	
		5,000 Gal.	10,000 Gal.		50,000 Gal.	200,000 Gal.
2,000 OR LESS	273	23.24	29.93	399	127.53	420.70
2,001 - 5,000	140	24.50	34.40	1,155	166.68	584.01
5,001 - 10,000	82	25.89	37.01	2,313	163.32	563.16
10,001 - 15,000	44	24.69	40.44	4,030	178.75	651.72
15,001 - 20,000	32	26.66	41.55	5,463	198.87	712.78
20,001 - 25,000	12	28.42	45.83	7,686	194.28	731.54
25,001 - 30,000	12	27.79	43.39	8,569	190.18	685.06
30,001 - 50,000	27	24.98	40.60	11,492	182.46	692.51
50,001 - 75,000	8	27.25	47.74	15,392	242.55	895.14
75,001 - 100,000	8	25.15	38.93	26,577	182.49	667.55
100,001 - 200,000	17	21.55	33.66	38,661	152.83	537.52
200,001 - 350,000	4	27.44	45.14	72,631	187.85	647.42
350,001 - 500,000	1	24.70	41.35	98,180	222.85	722.35
MORE THAN 500,000	4	28.05	52.10	232,182	255.28	926.06
Total/Averages	664	24.42	34.66	5,479	157.30	547.81



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**TEXAS MUNICIPAL LEAGUE ANNUAL CONFERENCE AND EXHIBITION
OCTOBER 8-11, 2013**

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GFOAT 2014 Spring Institute / April 14, 2014

When in Drought! Utility Rate Making

Part 1 – Revenue Requirements and Cost of Service

Presenters

Chris Ekrut, MPA, CAPM

Matthew Garrett, MBA, CGFO



ECONOMICS

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Agenda

1. Introduction
2. Rate-Setting Process
3. Revenue Requirements
4. Cost of Service
5. Discussion and Wrap-up

Municipal Utilities - One More Plate to Keep Spinning



The “business side of government”

- Self sufficiency – In a “perfect” world
 - Revenues must match or exceed expenses
- City Council serves as the Board of Directors
 - Policy-setting body
- Important to Understand the Board’s Goals and Objectives

Financial Planning Policies

Reserve Requirements

- Types of Reserves
- Amount of Reserves
- How reserves are funded

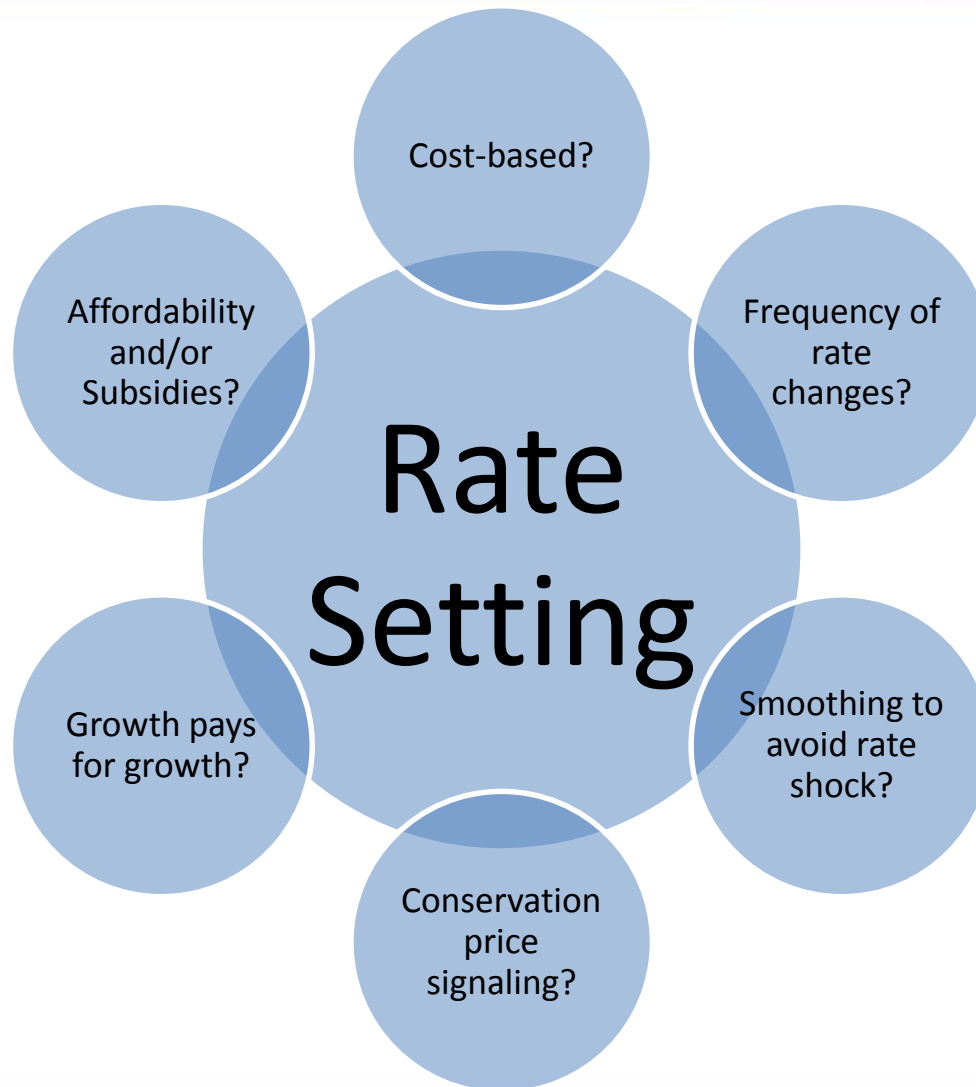
Capital Structure

- Use of long-term debt
- Accumulation and use of cash reserves

Intergenerational Equity

- Impact fees/Developer credits
- Long-term debt

Rate Policies



Rate Setting Process

1. Revenue Requirements

- How much revenue do I need?

2. Allocation of Costs

- Who should be responsible for providing that revenue?

3. Rate Design

- How am I going to recover that revenue?

Rate Setting Process

Revenue Requirement

- Compares the revenues of the utility to its expenses to determine the overall level of rate adjustment

Cost of Service

- Equitably allocates the revenue requirements between the various customer classes of service

Rate Design

- Design rates for each class of service to meet the revenue needs of the utility, along with any other rate design goals and objectives

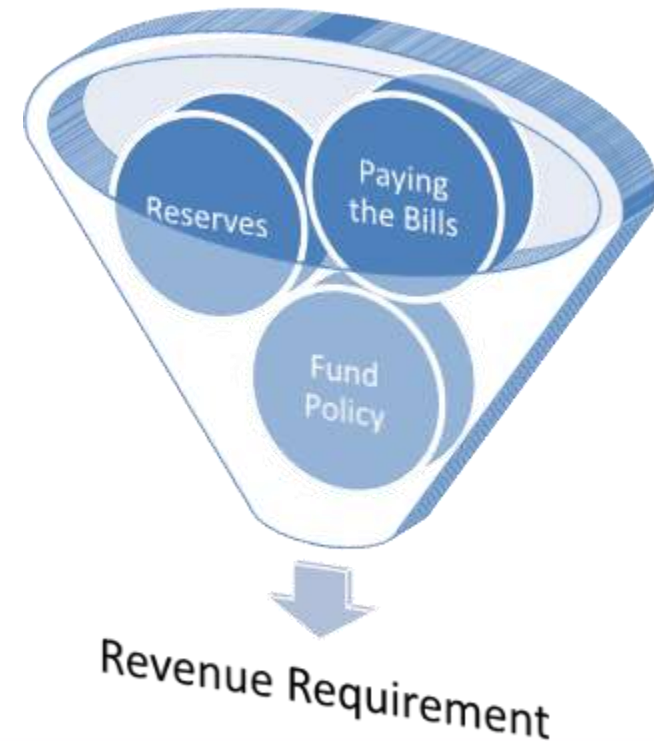
What is a Revenue Requirement

- The amount of revenue that needs to be generated through rates
- Also referred to as Net Cost of Service; Rate Revenue Requirement; or Net Rate Revenue Requirement

What is a Revenue Requirement

Key Policy Questions to Consider:

- What financial resources are needed?
- What level of reserves are sufficient?
- Should subsidies exist?
 - Utility vs. General Fund
 - Water vs. Wastewater



What is a Revenue Requirement

Cash Basis	Utility Basis
+ O&M Expenses	+ O&M Expenses
+ Taxes/Transfer Payments	+ Taxes/Transfer Payments
+ Debt Service (P&I)	+ Depreciation Expense
<u>+ Capital Projects Funded from Rate Revenues</u>	<u>+ Return on Rate Base</u>
Σ = Total Revenue Requirements	Σ = Total Revenue Requirements

***Also important to consider
debt coverage needs!***

Where: Rate Base =

+ Original Cost of Plant
– Accumulated Depreciation
= Net Plant in Service
+ Working Capital
– Contributions in Aid
= Rate Base

Cash Basis

- Suited well for utility's subject to municipal budget requirements
- Relatively easy to administer and understand
- Allows effective financial planning to mitigate rate shock
- Solves revenue sufficiency dilemma
- Uses readily available data

Utility Basis

- More appropriate for regulated utilities/investor owned
- Provides external limitations on utility's net income
- Consumer/Utility protection provided by allowed rate of return
- Relatively more difficult to administer

Hypothetical Comparison of Methods

Item	Cash Basis	Utility Basis
O&M Expenses	\$ 79,127,008	\$ 79,127,008
Debt Service	76,636,711	
Capital Expenditures	23,525,000	
Depreciation Expense		30,242,924
Return on Rate Base		81,362,654
Less: Other Revenues	(3,747,291)	(3,747,291)
User Charge Revenue Requirements	\$ 175,541,428	\$ 186,985,295

Test-Year

- Determine the Test-Year
 - A test-year is a common term in rate studies that refers to an adjusted fiscal year cost that will be used as a basis for setting rates
- Types of Test-Years
 - Historical
 - Projected (future)
- Expenses should be just, reasonable, and necessary

Historical Test Year

- Most recent completed fiscal year
- Adjusted for known and measurable changes
- Consistent with regulated utilities
- Abnormal weather may influence costs – increases complexity to integrate known and measurable changes
 - Annualization and Normalization adjustments required

Future Budget

- Existing process – limited additional work
 - May require adjustments for post-adoption changes
 - May also require adjustments if budgeting practices are not reflective of actual or “normal” experience
- Consistent with municipal utilities
- Consumer protection provided by budget process and elected officials

Transfers

- Cost Reimbursement
 - General & Administrative Indirect Costs
 - Is General Fund paying for its use of the utility
- PILOT (Payment in Lieu of Tax)
 - Texas Water Code 13.192
 - Caution regarding PILOT to School or Hospital District
- Standard franchise/“street rental”
 - Right of way management
- Explaining these to Council & Residents
 - Increased State scrutiny...esp. Electricity

Key Metrics to Consider When Developing Revenue Requirement

- Days of Working Capital / Operations & Maintenance Reserve
- Capital Repair and Replacement Reserve / System Equity
- Rate Mitigation / Stabilization
- Pass-Through Clauses
- Debt Service Coverage

Days of Working Capital / Operations & Maintenance Reserve

- Industry Standard 45 to 60 days; 90 days maintained by some
- Traditional Working Capital Calculated as Current Assets – Current Liabilities
- Often defined as fund balance as a % of operating expenditures
- Operating expenditures must be well defined
 - The Utility Fund is combination of multiple funds (GF, Debt Service, etc) within one fund
 - Should debt service, capital, or transfers be included?

Capital Repair and Replacement Reserve

- % of depreciation is being funded
- Original Cost **DOES NOT EQUAL** Replacement Cost
 - Will need to be more than 100% of depreciation total
 - May need to make up for lost ground
- Pay As You Go Capital Improvements

System Equity

TABLE 11 – CITY’S EQUITY IN THE SYSTEM

	Fiscal Year Ended September 30,				
	2012	2011	2010	2009	2008
Net Property, Plant and Equipment	\$ 174,203,160	\$ 178,666,530	\$ 178,499,115	\$ 177,526,749	\$ 173,343,784
Cash and Investments	63,497,346	56,767,977	60,585,286	58,798,046	55,517,060
Other Assets	6,542,802	5,837,132	5,289,564	5,852,959	4,505,243
Total Assets	\$ 244,243,308	\$ 241,271,639	\$ 244,373,965	\$ 242,177,754	\$ 233,366,087
Revenue Bonds Payable	\$ 58,468,750	\$ 58,433,739	\$ 66,871,956	\$ 65,798,205	\$ 64,499,324
General Obligation Bonds Payable	-	-	-	-	-
Other Liabilities	10,088,453	9,675,500	6,243,348	6,932,599	6,684,256
Total Liabilities	\$ 68,557,203	\$ 68,109,239	\$ 73,115,304	\$ 72,730,804	\$ 71,183,580
City's Equity in System	\$ 175,686,105	\$ 173,162,400	\$ 171,258,661	\$ 169,446,950	\$ 162,182,507
Percent Equity in System	71.92%	71.77%	70.08%	69.97%	69.50%

Rate Mitigation / Stabilization

- Reserve fund drawn on to mitigate large rate changes
- Can also be used to mitigate unexpected changes in precipitation
- Annual transfers to/from fund are used to protect consumers
- Transfers typically authorized on event driven basis

Pass-Through Clauses

- Utility may choose to use pass-through clauses for source costs beyond their control
- Purchased water cost, Wholesale Wastewater Treatment Cost
- Can increase transparency of rate structure and protect financial position of the utility
- Subject to Political Environment

Debt Service Coverage

- Measures income relative to expenses
- Indicator of financial health and debt capacity
- Two Perspectives
 - Bond Covenants
 - Current rate coverage requirements
 - Additional Bonds Test
 - Net revenues is specifically defined
 - Good Policy Guidelines
 - $<1.0x$ Insufficient
 - $1.0x$ to $1.25x$ Adequate
 - $1.26x$ to $1.50x$ Good
 - $>1.50x$ Strong

Sample Debt Service Coverage Calculation

Line	Description	Value	Note
1	Gross Revenues	\$ 180,000,000	
2	Less: O&M (Excluding Depreciation)	80,000,000	
3	Net Revenues	<u>\$ 100,000,000</u>	1 minus 2
4	Debt Service	\$ 77,000,000	
5	Debt Service Coverage	1.30	3 divided by 4

Key Rating Factors for Enterprise Systems

- Financial “health” of the Enterprise Fund
- Transfers to/from the Enterprise Fund
- Strength of bond provisions
- Compliance with existing bond provisions
- Ability and willingness to raise water and/or sewer rates
- Tax-backed debt issued for water and/or sewer purposes
 - Self-supporting
- Future capital needs
 - Amount
 - Timing
 - Maturity of the System
 - Government mandated?

Source: First Southwest Presentation to Region 8 GFOAT, September 2011

Rating Agency Criteria

- Standard & Poor's
 - Definitions And Related Analytic Practices For Covenant And Payment Provisions In U.S. Public Finance Revenue Obligations
 - <http://www.standardandpoors.com/prot/ratings/articles/en/us/?articleType=HTML&assetID=1245363500449>
 - U.S. Public Finance: Standard & Poor's Revises Criteria For Rating Water, Sewer, And Drainage Utility Revenue Bonds
 - <http://www.standardandpoors.com/prot/ratings/articles/en/us/?articleType=HTML&assetID=1245351021584>
- Moody's
 - Analytical Framework For Water And Sewer System Ratings
 - https://www.moody.com/researchdocumentcontentpage.aspx?docid=PBM_PBM48390
- Fitch
 - Water and Sewer Revenue Bond Rating Criteria
 - http://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=647331

Note: Links may require setting up login accounts with each rating agency.



Questions

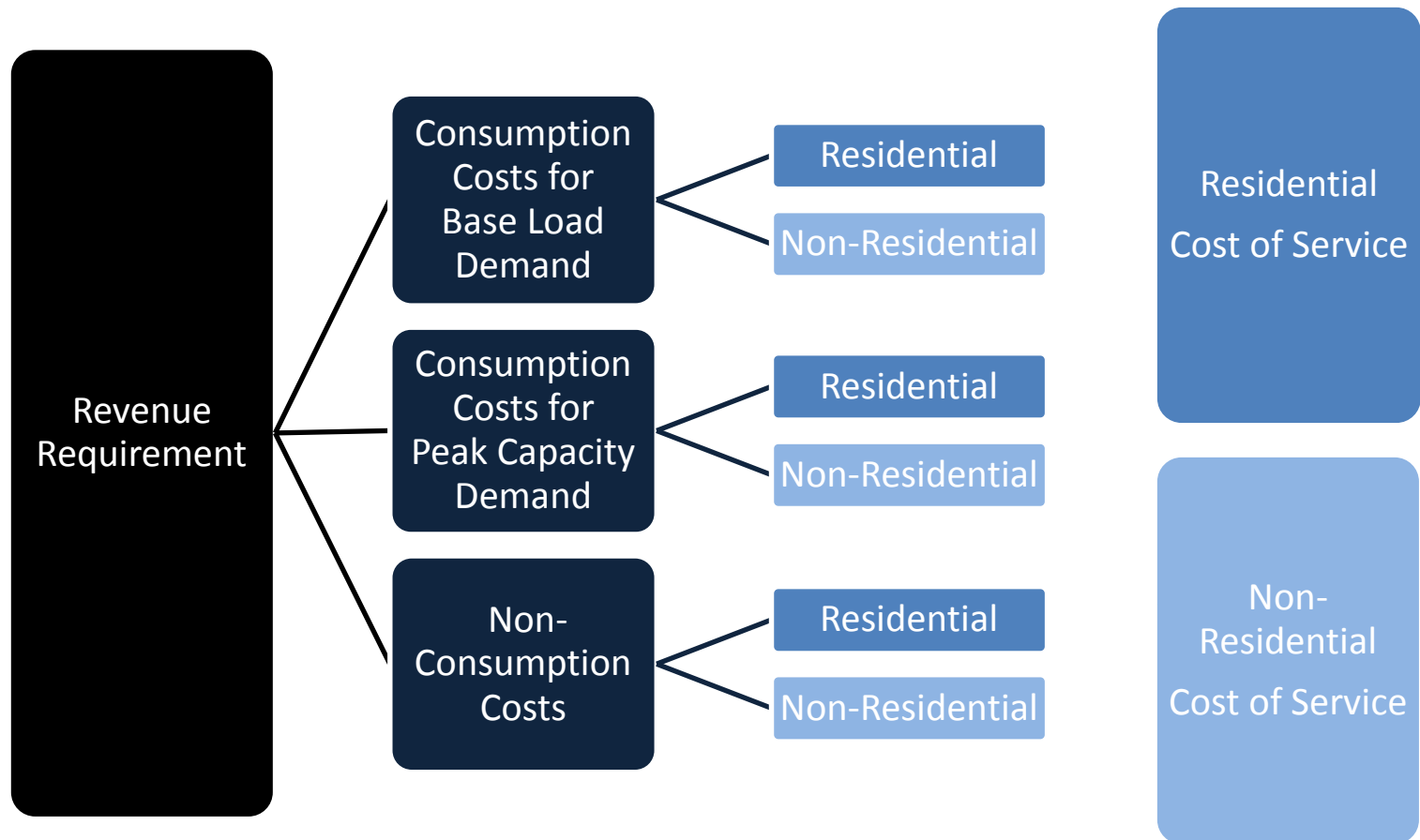
What is a Cost of Service Study?

- An analysis to equitably allocate the revenue requirements to the various customer classes of service of the utility
- Do cost differences exist between the types of customers served?
 - Facility requirements
 - Usage characteristics

Cost Allocation and Cost of Service

- Key Questions to Answer:
 - Who are you providing service to?
 - How are they using the system?
- Do you want a customer class level study?
 - Useful to understand where subsidies exist
 - What is the impact of this information as a public record?

Cost of Service Goal



Allocation Steps

- Utility – Water vs. Sewer
- Function
 - Raw, Treatment, Transmission, Distribution, Customer
 - Collection, Treatment, Customer
- Cost Components
 - Base / Commodity
 - Extra Capacity / Demand
 - Customer
 - Fire

Cost Allocation Options

- Commodity/Demand
 - Allocates the non-commodity costs entirely according to the design capacity of the facility.
- Base/Extra-Capacity
 - Allocates a portion of the costs among base, max-day and max-hour based on the peaking factors.

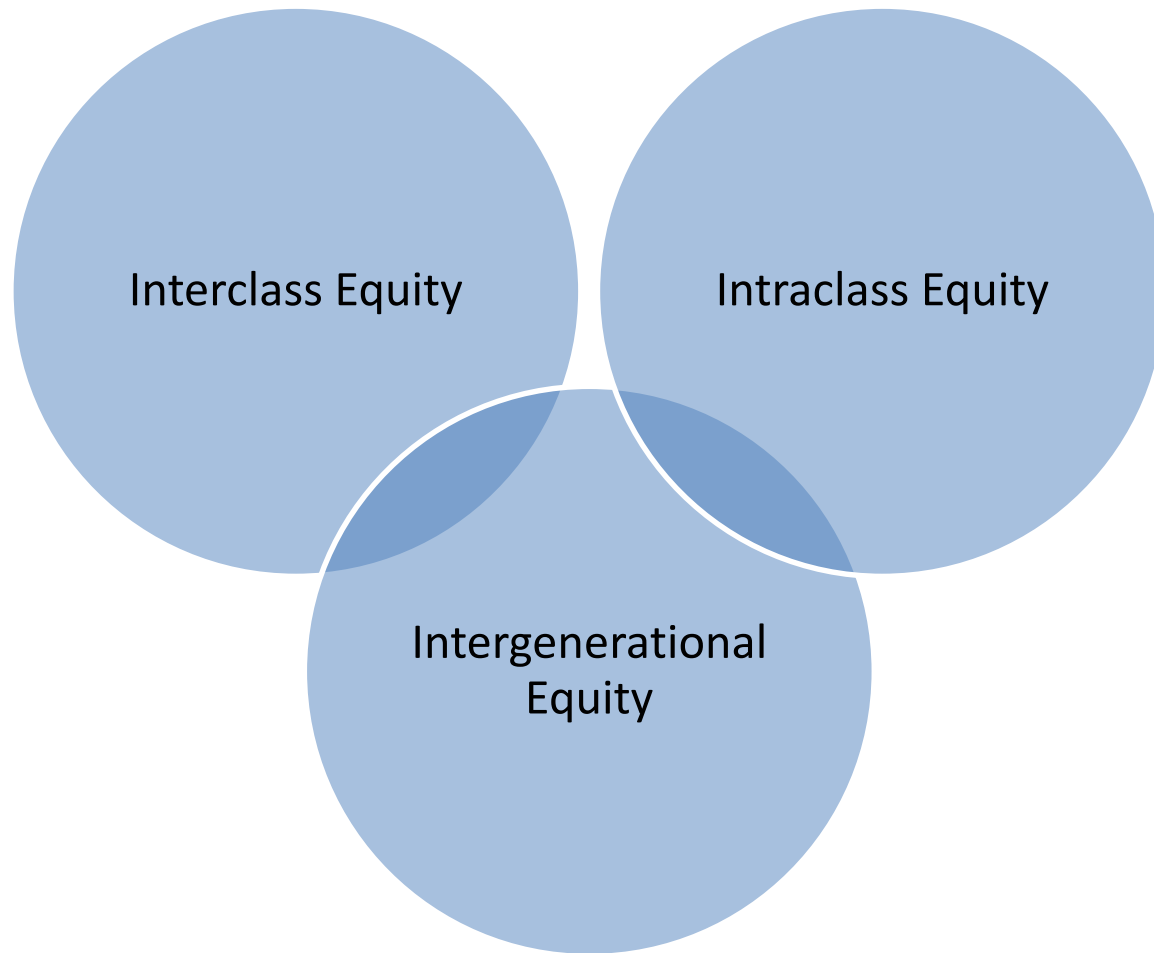
Fixed/Variable vs System Costs

- Within Allocation buckets, useful to know fixed and variable cost components for future rate design
- Utilities are extremely fixed cost intensive
 - Politically difficult to recover all fixed costs in fixed service charges

Purpose of Customer Classification

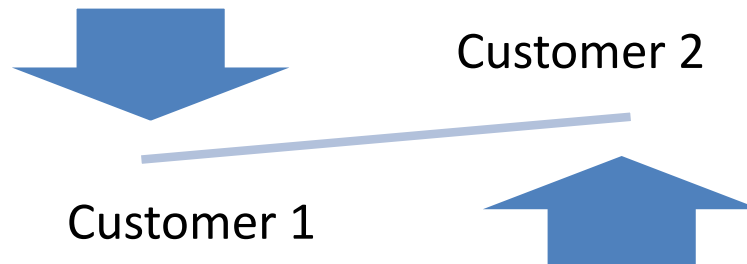
- Identify groups of relatively similar customers that share common costs of service
- Allow for effective rate design
- Other management requirements

Customer Classification and Equity



Equity

- Interclass
 - Between customer classes (Residential vs. Commercial)
- Intraclass
 - Between customers within a class (Small house vs. Big House)
- Intergenerational
 - Between generations (Addressed through other means)



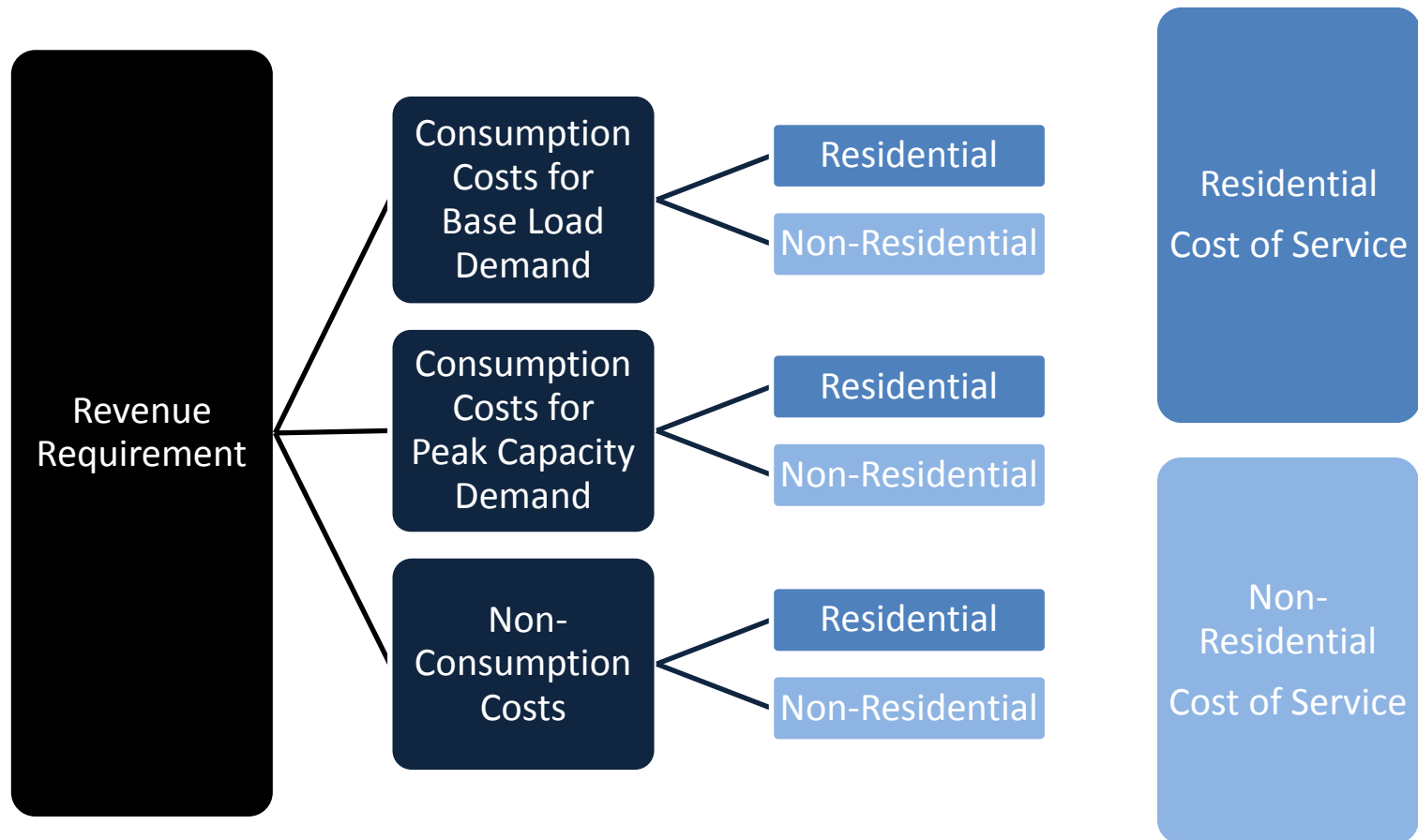
Factors for Classifying Customers

- General service requirements
- Demand patterns or usage characteristics
- Geographical locations for wholesale and outside-of-city customers
- Customer class should only include those customers who:
 - Are similar in location
 - Use the same or similar service
 - Receive similar service and place similar demands on the utility

Customer Class Examples

- Common
 - Single-family residential
 - Multifamily residential
 - Commercial
 - Industrial
 - Irrigation
 - Wholesale
 - Outside / Inside
- Less Common
 - Institutional
 - Schools
 - Parks
 - Hospitals
 - Business Parks
 - Government

Cost of Service Goal





Questions



Thank you for your time.

NewGen
Strategies & Solutions

Feel free to contact us at 972-680-2000 or via email

Chris Ekrut at cekrut@newgenstrategies.net

Matthew Garrett at mgarrett@newgenstrategies.net

Helpful Resources

- TWC Implementation Task Force Water Conservation Best Management Practices Guide
 - http://www.twdb.texas.gov/publications/reports/numbered_reports/doc/R362_BMPGuide.pdf
- 2012 State Water Plan
 - www.twdb.state.tx.us/publications/state_water_plan/2012/2012_swp.pdf
- GFOAT Forum
 - <http://www.gfoat.org/ListServ.html>
 - Accessible by GFOAT member in your organization

Useful Texts

- American Water Works Association, M-1 Manual, Principles of Water Rates, Fees, and Charges
- Water Environment Federation, Manual of Practice No. 27, Financing and Charges for Wastewater Systems
- American Water Works Association, Water Rates, Fees, and the Legal Environment
- American Water Works Association, Financial Management for Water Utilities – Principles of Finance, Accounting, and Management Controls
- Water Environment Federation, Managing the Water and Wastewater Utility



GFOAT 2014 Spring Institute / April 15, 2014

When in Drought! Utility Rate Making Part 2 - Rate Structure and Design

Presenters

Chris Ekrut, MPA, CAPM

Matthew Garrett, MBA, CGFO



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2. Review Rate-Setting Process
3. Wholesale Water and Wastewater Issues
4. Rate Design
5. Discussion and Wrap-up

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- Types of Reserves
- Amount of Reserves
- How reserves are funded

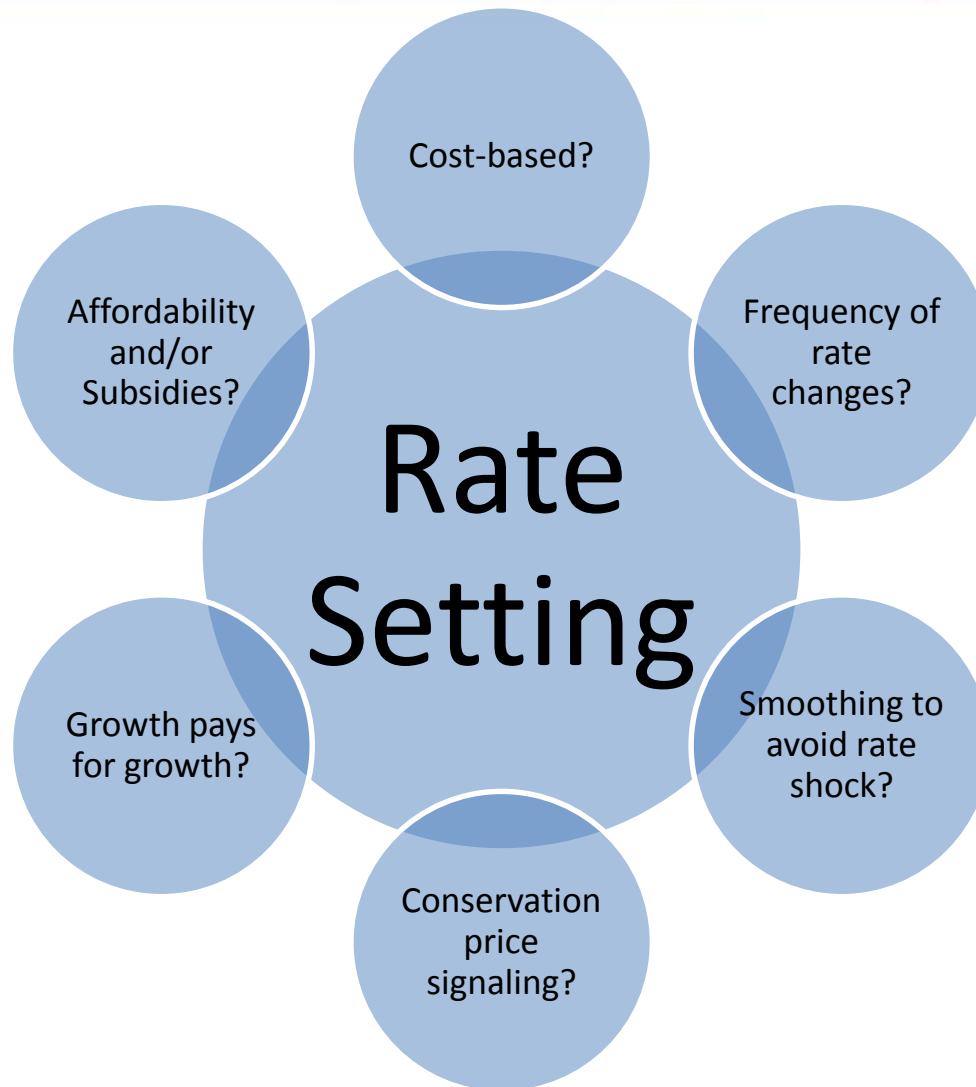
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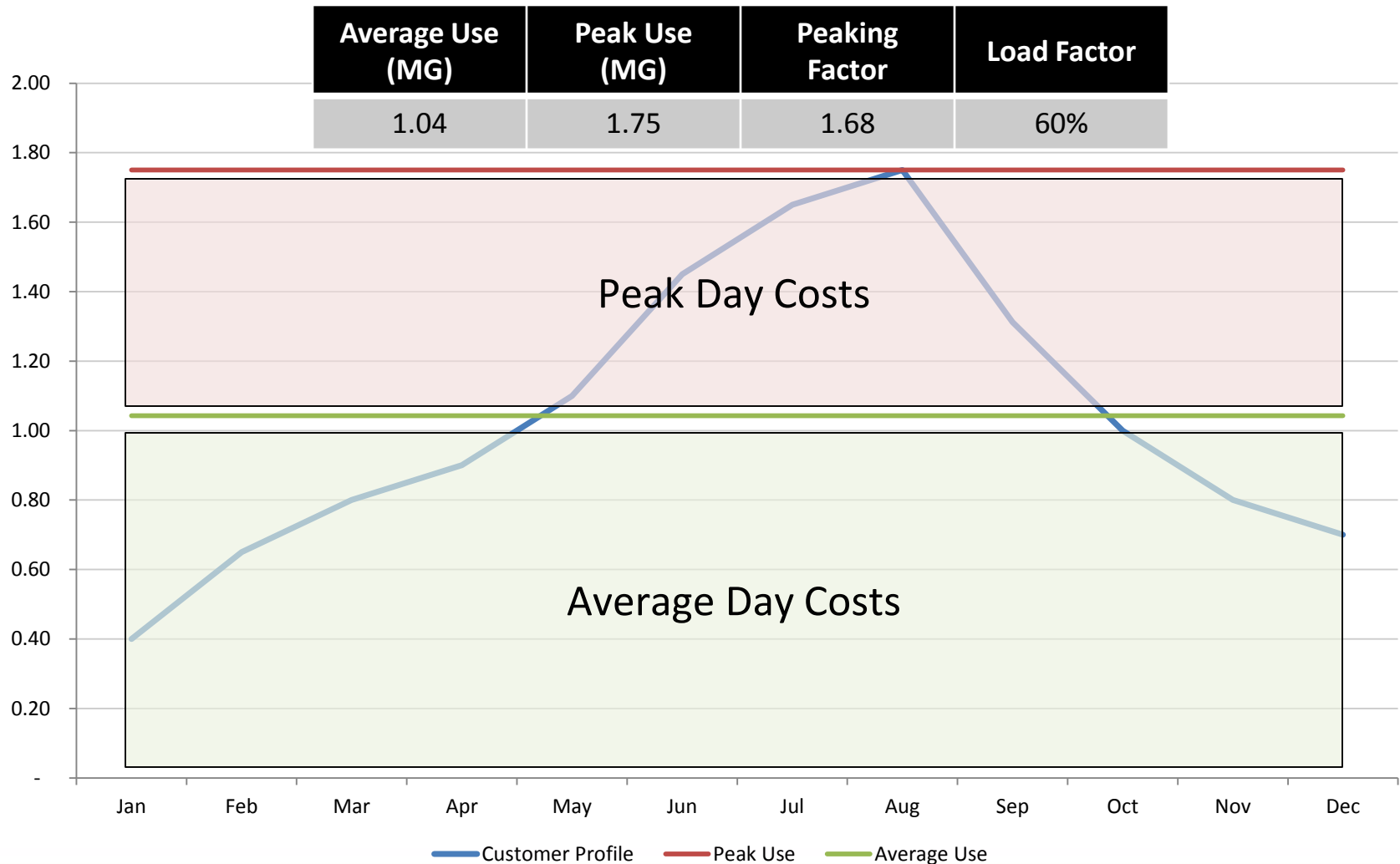
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- Equitably allocates the revenue requirements between the various customer classes of service

Rate Design

- Design rates for each class of service to meet the revenue needs of the utility, along with any other rate design goals and objectives

Allocation of Costs – Peaking Example



Customer Class Cost Allocation Example

	Average Use (MG)	Peak Use (MG)	Excess Capacity (Peak – Average) (MG)	Peaking Factor	Load Factor
Customer A	1.11 (28%)	1.46	0.36 (16%)	1.32	76%
Customer B	1.21 (31%)	1.61	0.40 (18%)	1.33	75%
Customer C	1.23 (31%)	2.38	1.15 (52%)	1.93	52%
Customer D	0.40 (10%)	0.70	0.30 (14%)	1.75	57%

Wholesale Water and Wastewater

- Wholesale Service
 - Selling of water to a customer for resale by that customer
 - Receipt of retail generated wastewater collected by a customer for ultimate treatment
- Retail customers are, and will continue to see, significant price increases from wholesale providers

Key Policy Issues – Service Receiver Perspective

- Wholesale Charges can comprise a significant portion of your total departmental expenditures
- Wholesale Rates may change **annually**
- Failure to pass along wholesale rate increases can be detrimental to your utility's financial position
 - Implementation of Pass-Through Clauses can be beneficial
 - Level of Council oversight may need to be carefully defined

Key Policy Issues – Service Receiver Perspective

- How you use your provider's system matters!
 - Lost and Unaccounted for Water
 - Paying for water that is never provided to customers
 - Long-term impact under a true-up / demand ratchet system
 - Infiltration and Inflow
 - Paying to treat stormwater
 - Long-term impact under a true-up / demand ratchet system
 - Peaking factor and demand
 - Owned supplies (if any)

Key Policy Issues – Service Provider Perspective

- How do you establish / change rates?
 - Do you have a specific methodology
 - Is the revenue stream stable?
- Are you encouraging efficient use?
- Protection of supply / system capacity for existing customers
- Dispute resolution
- Water Conservation / Drought Contingency Measures
 - Can you curtail / interrupt supply?
- Non-Rate Fees and Charges
 - Impact Fees, Line Extension Fees, Tap Fees, etc?
 - Equity buy-in



Questions

Key Policy Questions

- What are our objectives?
 - Meeting revenue needs
 - Revenue stability
 - Affordability
 - Equity
 - Administration
 - Conservation
 - Economic Development
 - Transparency
 - Others?
- Do our rates address our objectives?



Rate Attributes and Criteria

Implementation	Equity	Customer	Conservation	Financial
Administrative Burden	Interclass	Affordability	Average-Day Savings	Revenue Sufficiency
Public Understanding	Intraclass	Economic Development	Peak-Season Savings	Revenue Stability
Political Acceptance	Intergenerational	Rate Shock / Volatility	Peak-Day Savings	Rate Stability
Implementation Risk	Inside/Outside	Understandability of Rates/Bill	Sustainability	Rate Predictability
Legal Defensibility	Industry Standards	Perception of Equity	Compliance	Financial Risk

Legal Defensibility and Rate Criteria

- Legally Necessary Criteria
 - Texas Water Code 13.043(j)

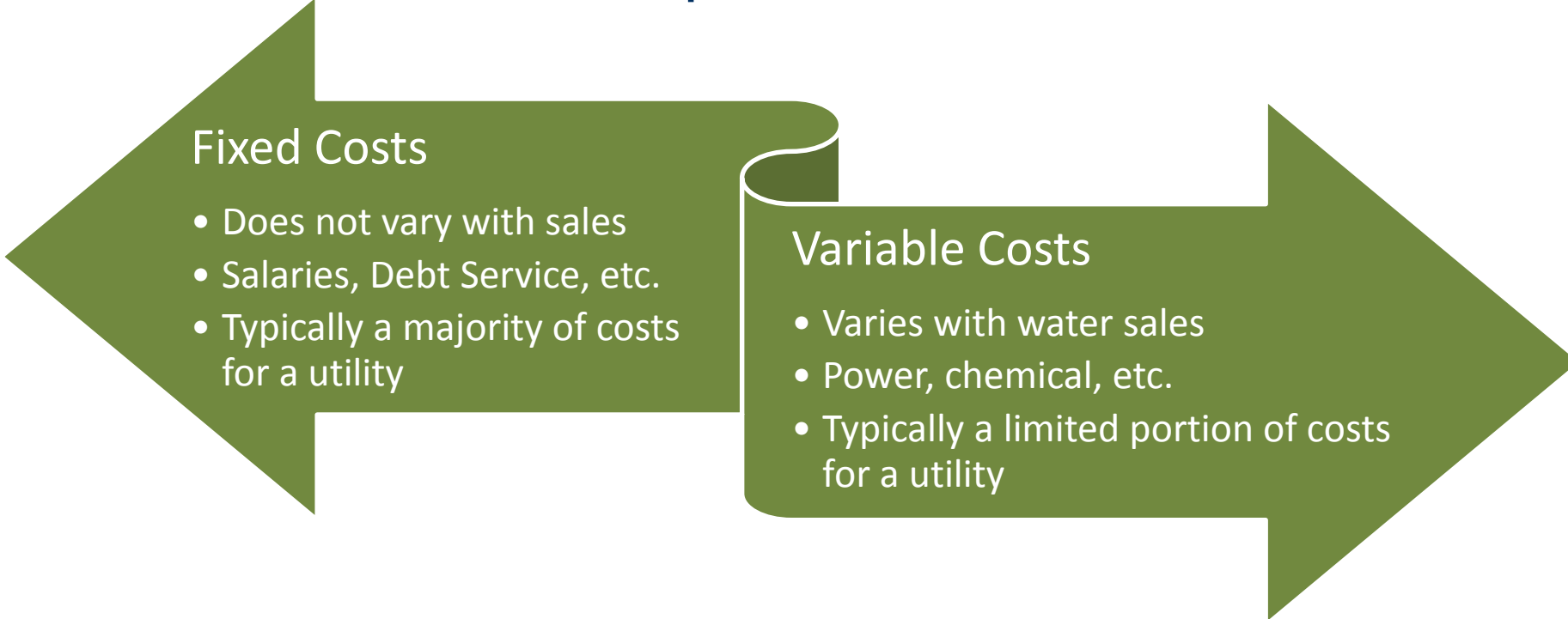
“ . . . the commission shall ensure that every rate made, demanded, or received by any retail public utility or by any two or more retail public utilities jointly shall be just and reasonable. Rates shall not be unreasonably preferential, prejudicial, or discriminatory but shall be sufficient, equitable, and consistent in application to each class of customers.”

Legal Defensibility and Rate Criteria

- Original Jurisdiction – A City has original jurisdiction over rates charged to individuals who vote for the City Council (inside City customers). These rates cannot be appealed to a higher body – customer recourse is to elect new representation.
- Appellate Jurisdiction – Outside City customers can appeal municipal rate making action if 10% of more protest the increase. TCEQ also has appellate jurisdiction over wholesale rates.
- Texas Water Code 13.043 (i)
 - The governing body of a municipally owned utility or a political subdivision, within 60 days after the date of a final decision on a rate change, shall provide individual written notice to each ratepayer eligible to appeal who resides outside the boundaries of the municipality or the political subdivision. The notice must include, at a minimum, the effective date of the new rates, the new rates, and the location where additional information on rates can be obtained. The governing body of a municipally owned utility or a political subdivision may provide the notice electronically if the utility or political subdivision has access to a ratepayer's e-mail address.

Rate Structure Components

- Fixed Charge
- Variable or Consumption-Based



The diagram consists of two large, olive-green arrows pointing in opposite directions. The left arrow points left and contains the text 'Fixed Costs' and a bulleted list. The right arrow points right and contains the text 'Variable Costs' and a bulleted list. The two arrows are connected by a small, white, curved line that resembles a ribbon or a piece of paper, creating a continuous shape across the middle of the slide.

Fixed Costs

- Does not vary with sales
- Salaries, Debt Service, etc.
- Typically a majority of costs for a utility

Variable Costs

- Varies with water sales
- Power, chemical, etc.
- Typically a limited portion of costs for a utility

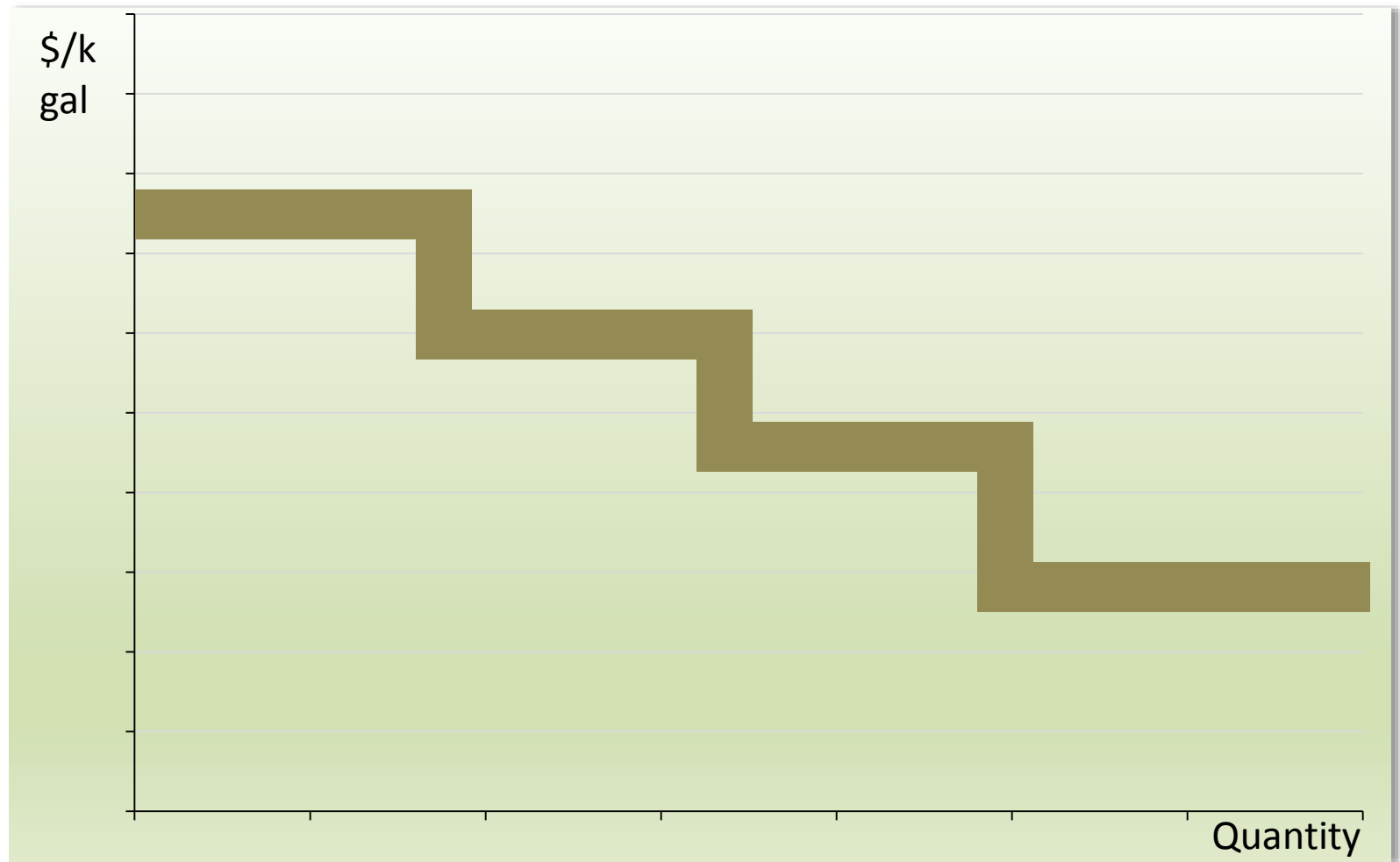
**** Stability of Revenue Stream Should Always be Considered ****

Common Water Rate Structures

- Fixed Charge
 - Minimum Charge
 - Meter Charge
- Should this include a water allocation?

- Variable Charges
 - Uniform
 - Declining Block
 - Inclining Block
 - Seasonal

Declining Block Rate Structure

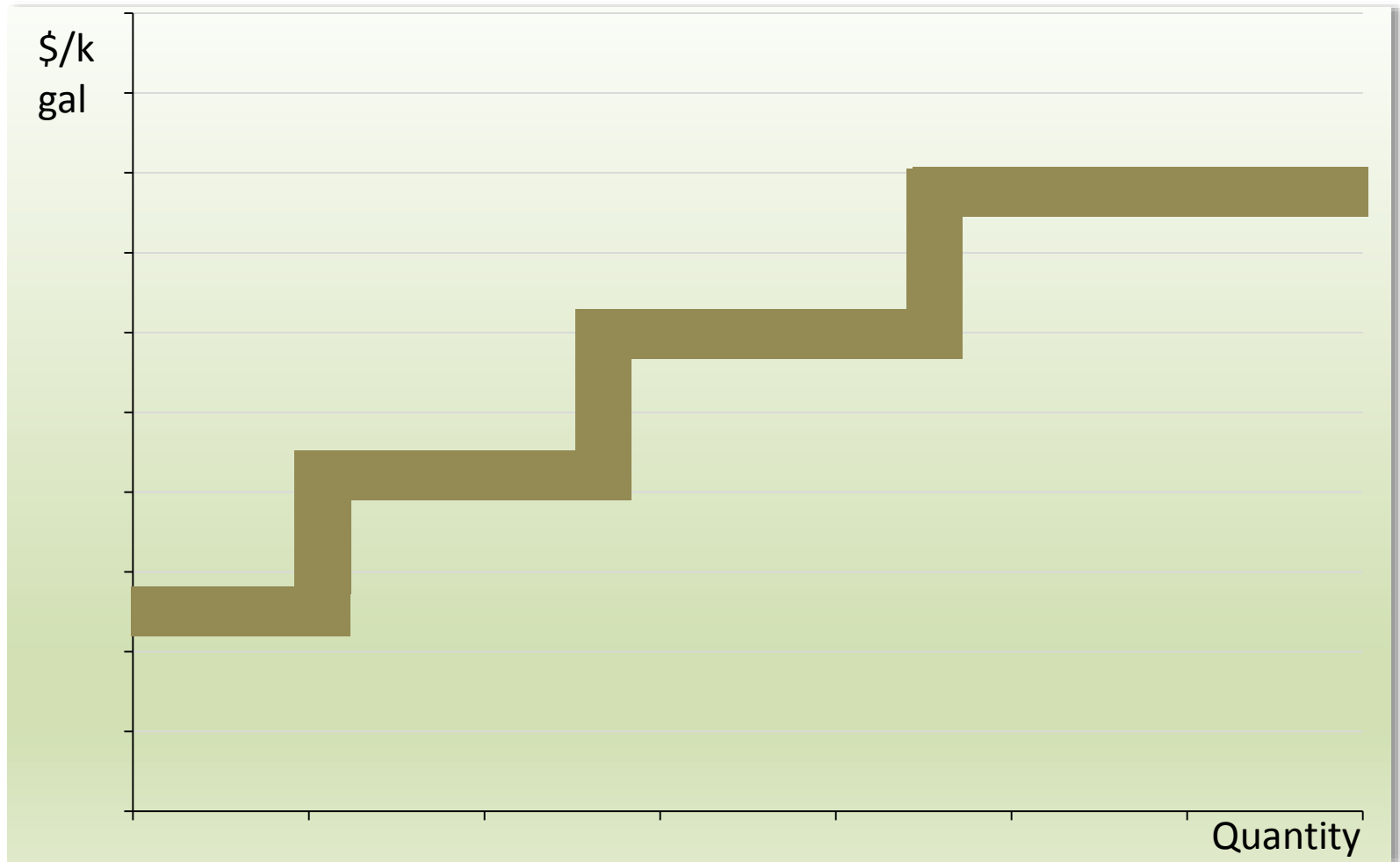


Declining Block Rates

- Fairly simple for customers to understand and for utility to administer
- Equitable
 - Assuming more water means more efficient use
- Stable revenue stream
- Does not promote conservation

Rate per 1,000 gallons		
	Inside	Outside
<u>Gallons</u>	<u>City</u>	<u>City</u>
first 2k	MIN	MIN
next 23k	2.94	4.43
next 975k	1.92	2.88
next 4 mil	1.59	2.40
over 5 mil	1.53	2.30

Inclining Block Rate Structure



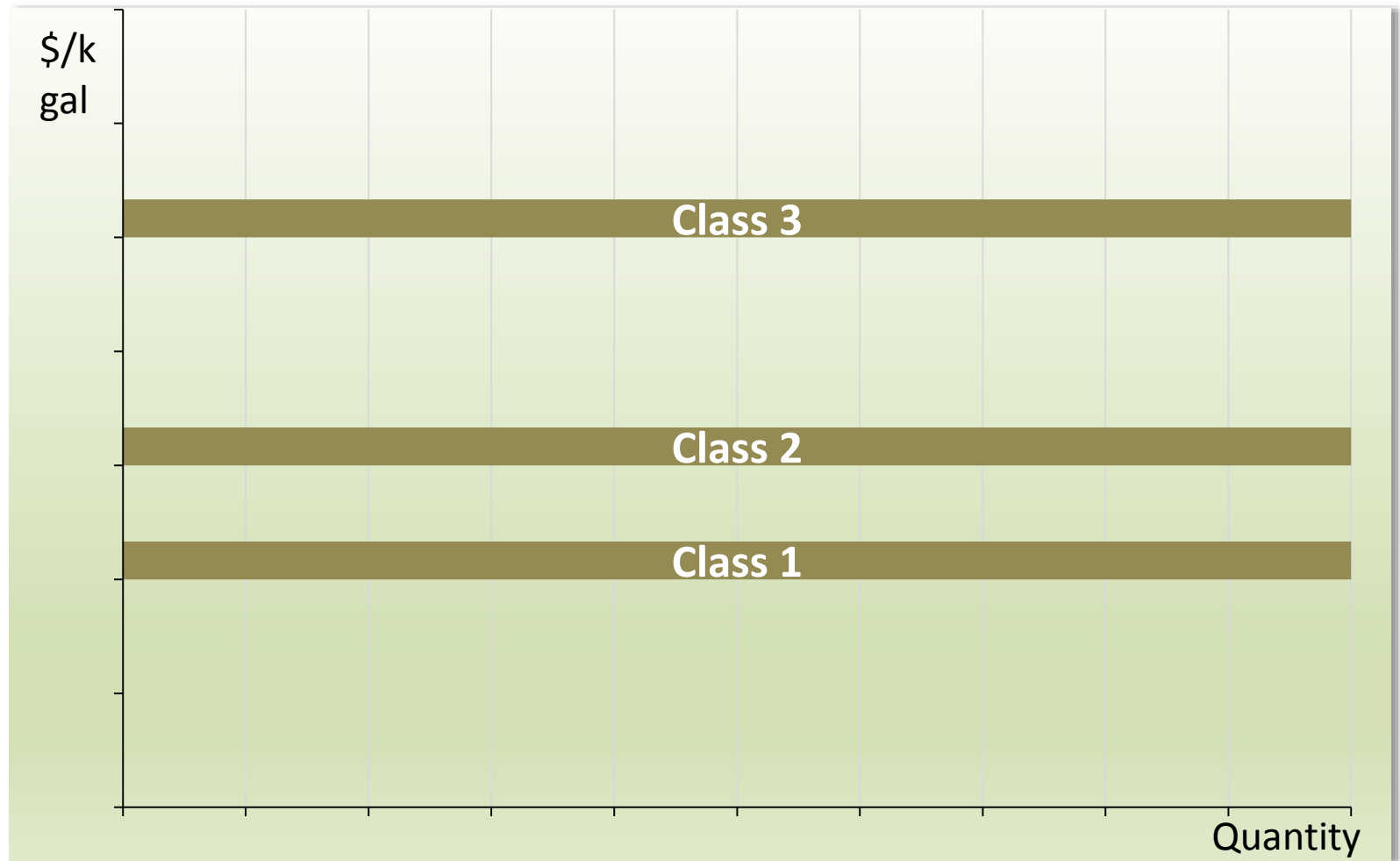
Inclining Block Rates

- More difficult to design / implement in terms of revenue stability
- Can be more difficult to understand
- Equitable / Inequitable depending on system use
- Can destabilize revenue stream
- Encourages conservation

Residential Volumetric Rates

1,501 to 15,000 gallons	\$3.18 per 1,000 gallons
15,001 to 25,000 gallons	\$3.98 per 1,000 gallons
25,001 to 50,000 gallons	\$4.97 per 1,000 gallons
50,001 to 75,000 gallons	\$7.47 per 1,000 gallons
More than 75,000 gallons	\$11.20 per 1,000 gallons

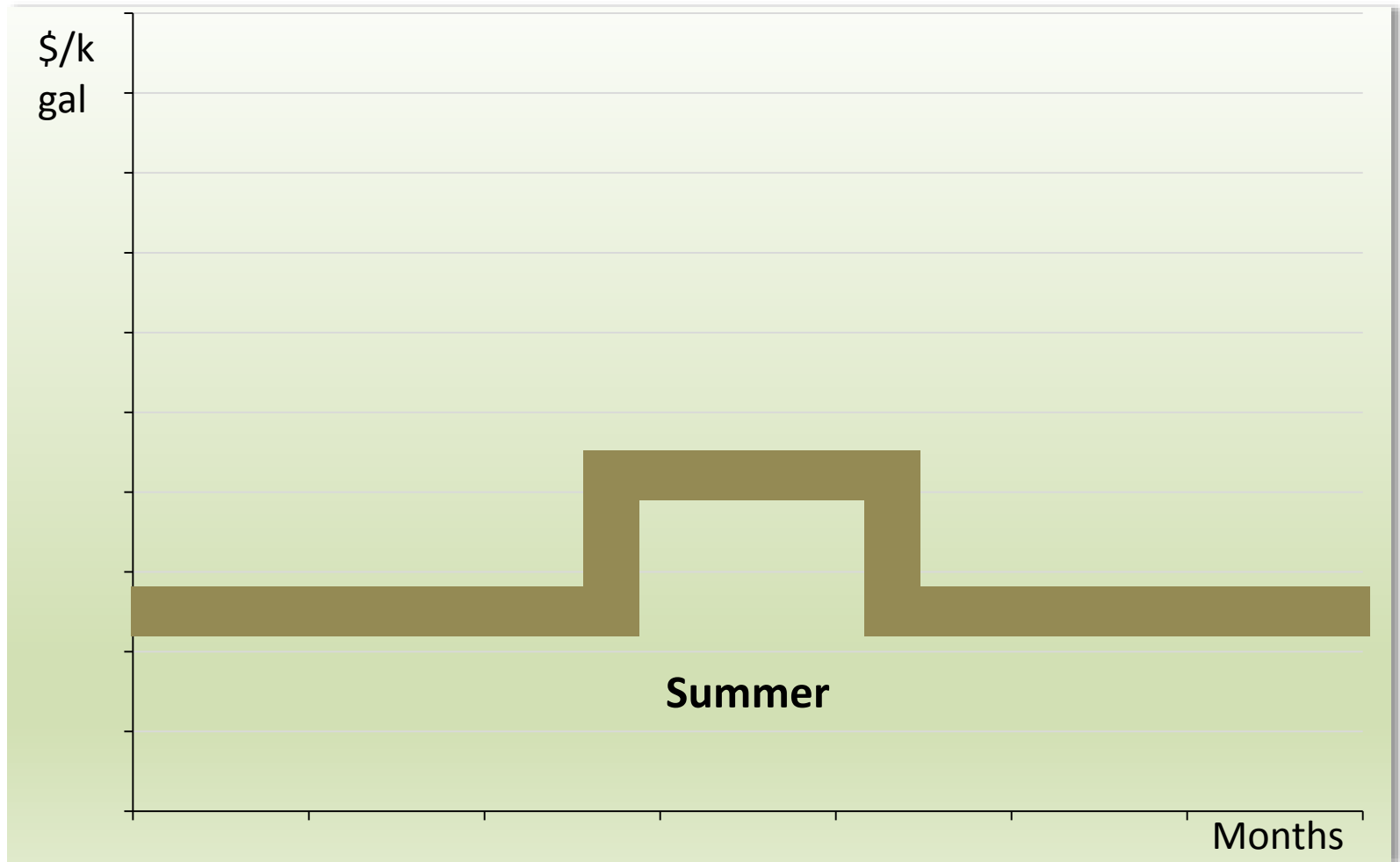
Uniform Rate Structure (as Illustrated by Class)



Uniform Rates

- Least administrative burden
- Low risk of implementation in revenue sufficiency
- Common rate structure for wholesale customers
 - Does not recognize peaking impact
- Less revenue volatility

Seasonal Rate Structure



Seasonal Rates

- Low administrative burden
- Moderate revenue implementation risk
- Increased incentive for conservation
- Increased revenue volatility
- Increased potential for rate shock

	INSIDE CITY LIMITS		OUTSIDE CITY LIMITS	
	RATE PER 100 GALLONS		RATE PER 100 GALLONS	
Step in gallons	<u>Standard</u>	<u>Seasonal</u>	<u>Standard</u>	<u>Seasonal</u>
First 5,985	\$0.0971	\$0.0971	\$0.1264	\$0.1264
Next 6,732	0.1406	0.1529	0.1828	0.1988
Next 4,488	0.1982	0.2273	0.2578	0.2956
Over 17,205	0.3471	0.4710	0.4513	0.6121

The Volume Charge "Seasonal" Rate Per 100 Gallons shall be applied to all billings beginning on or about May 1 and ending after five complete billing months on or about September 30 of each year. At all other times the Volume Charge "Standard" Rate Per 100 Gallons shall be utilized.

Water Budget Billing

- Inclining Block Structure with blocks based on a determination of estimated, efficient use of individual customer
- Goal is to send appropriate price signals on a per customer basis to encourage the most efficient use
- Equitable, but can be difficult to administer
 - How do you define / determine the appropriate budget?

Water Budget Billing

	Block Rate (per Kgal)	Rate (per Kgal)	Block Size (% of water budget)
Block 1	Each Block Rate will be as reflected in Section 4-20-25 (b)(1), B.R.C. 1981	$\frac{3}{4}$ Base Rate	0 – 60%
Block 2		Base Rate	61 – 100%
Block 3		2 x Base Rate	101 – 150%
Block 4		3 x Base Rate	151 – 200%
Block 5		5 x Base Rate	Greater than 200%

The single-family residential customer's budget shall consist of indoor and outdoor allocations for water. The indoor allocation for each customer with a household size of up to four people shall be set at 7,000 gallons per month. The outdoor allocation shall be based on customer-specific irrigable area as determined by the city's GIS system. This system maps and calculates areas within defined property boundaries and hard surface boundaries. The total annual outdoor allocation shall be based on the following application rates:

- For the first 5,000 square feet of irrigable area: 15 gpsf
- For the next 9,000 square feet of irrigable area: 12 gpsf
- For irrigable area in excess of 14,000 square feet: 10 gpsf.

Drought and Surcharge Rates

- Added to existing rates to collect needed revenues and/or influence behavior
 - Response to Disaster
 - Rate Stabilization
 - Elevation Surcharges
 - Capital Financing

Indexed Rates

- Alternative to traditional rate study
- Rates are adjusted periodically based on accepted cost or price index
- Periodic review still needed to address changes in customer demand / equity in charges
- May lead to insufficient revenue unless coupled with pass-through for wholesale / capital cost needs

Affordability

- Programs vs Rate Structure
 - Discounted Total Bill
 - Reduced Rate Structure
 - Fixed Credit
- Administrative Issues
 - Eligibility Verification
 - Remaining customers have no choice in subsidizing service – Service could be perceived as a social program

Affordability

- EPA Affordability
 - 2.5% of Median household income for annual water service
 - OR
 - 4.5% for annual water and wastewater service combined.
- TCEQ Affordability - considered “Disadvantaged” if household cost factor
 - is greater than 1% for water
 - OR
 - is greater than 2% for water and sewer combined
 - Household Cost Factor

$$\frac{(\text{Average Annual Water Bill} + \text{Average Annual Sewer Bill})}{\text{Annual Median Household Income}}$$

Affordability

- Safe Drinking Water Act
 - Water bill exceeds 2% of median household income
- USDA
 - Loans for projects where Residential water bills are 1.5% of community's median household income
- Water Research Foundation
 - Water bill exceeds 2% of income for impoverished households

Common Wastewater Rate Structures

- Quantity
 - Uniform rate across all customer classes for volumes
 - How is quantity determined?
 - Winter average
 - Cap/Max amount
- Quality
 - Extra-strength surcharges

Stormwater

- Allocation Based on Cost Causation
 - Cost primarily based on quantity
- Defined in LGC 552 Subchapter C
 - Rates can be based on size in area, number of water meters or topography.
 - Cannot charge customers with private drainage systems.
 - Some mandatory exemptions.

Billing, Customer Service and Best Practices



Strategies Beyond Setting Rates

- Customer Service Standards
- Deposits and Account Service Agreements
- Metering and Billing
- Receivables and Collections
- Penalties and Disconnect Notices
- Internal Controls
 - Credit authorization
 - Adjusting consumption and bill
- Assigned accountability
 - Periodic mini self audits

GFOA Best Practices

- Government Finance Officers Association
 - <http://www.gfoa.org/>
- Best Practices and Advisories By Category
 - [Accounting, Auditing, and Financial Reporting](#)
 - [Budgeting and Fiscal Policy](#)
 - [Debt Management](#)
 - [Economic Development and Capital Planning](#)
 - [Retirement and Benefits Administration](#)
 - [Treasury and Investment Management](#)

For example, Appropriate Levels of Working Capital

http://www.gfoa.org/index.php?option=com_content&task=view&id=1768





Questions



Thank you for your time.



Feel free to contact us at 972-680-2000 or via email

Chris Ekrut at cekrut@newgenstrategies.net

Matthew Garrett at mgarrett@newgenstrategies.net

Helpful Resources

- TWC Implementation Task Force Water Conservation Best Management Practices Guide
 - http://www.twdb.texas.gov/publications/reports/numbered_reports/doc/R362_BMPGuide.pdf
- 2012 State Water Plan
 - www.twdb.state.tx.us/publications/state_water_plan/2012/2012_swp.pdf
- GFOAT Forum
 - <http://www.gfoat.org/ListServ.html>
 - Accessible by GFOAT member in your organization

More great resources

- Water EUM (Effective Utility Management)
 - <http://www.watereum.org/>
- Texas Water Conservation Association
 - <http://www.twca.org/>
- Texas Rural Water Association
 - <http://www.trwa.org/>

Useful Texts

- American Water Works Association, M-1 Manual, Principles of Water Rates, Fees, and Charges
- Water Environment Federation, Manual of Practice No. 27, Financing and Charges for Wastewater Systems
- American Water Works Association, Water Rates, Fees, and the Legal Environment
- American Water Works Association, Financial Management for Water Utilities – Principles of Finance, Accounting, and Management Controls
- Water Environment Federation, Managing the Water and Wastewater Utility

ABNORMAL WATER CONSUMPTION – ADJUSTMENT

This policy was adopted by the La Marque City Council at a Regular Meeting held on January 22, 1996; agenda item 10 (C).

Policy: The City may grant an adjustment for abnormal water consumption as follows:

- First Annual Fall
8:00 am
Empty
AR
6-15-07*
- A. **Swimming Pools** – First Fill ONLY for any pool type with a capacity greater than 5,000 gallons. Waive 50% of sewer charge on pool capacity under the assumption that 50% of volume will be lost to evaporation and normal use.
 - B. **Adjustments:** Only one (1) within 12 month period, for one month's bill; Subject as
 - 1. **Single family residence or individual metered mobile homes or individual metered multi-family units** – grant an adjustment only if consumption exceeds the prior 6 month average bill by 10,000 gallons. Charge for water and sewer combined at 50% of existing rate for consumption above the 6 month average.
 - 2. **Other account types** – An adjustment may be granted if consumption exceeds the prior 12 month average by 50% or more, or 50,000 gallons whichever is greater. Charge for consumption above the prior 12 months at cost for water (\$1.10); and sewer at 50% of the current billed rate.
 - C. In the unusual event that abnormal water consumption does not enter the sanitary wastewater system; an adjustment to waive the sewer charge on all consumption above the prior 6 month average may be granted. Criteria to determine eligibility must have the follow:
 - 1. Plumber affidavit
 - 2. Observation by city staff of water consumption not entering sanitary wastewater system. Determination of abnormal consumption adjustment still subject to condition's outlined in item B.
 - D. In order to receive an adjustment, customer must request in writing the adjustment. The letter must contain acknowledgement it is a one time adjustment and that they realize they are to contact a plumber to investigate entire plumbing system on their property.
 - E. City Manager will provide final dispute resolution.



CITY COUNCIL AGENDA FORM

Meeting Date: 4/25/14
Prepared by: Suzy Kou
Department: Finance

Agenda item: 4b
Reviewed by: Carol Buttler

AGENDA ITEM DESCRIPTION: Discussion and provide City Manager with direction on outsourcing utility billing to improve overall utility operations, communication to general public, and cost savings.

- ☒ Attachments for reference
1. Analysis of in-house billing and outsource
 2. Estimated quote for discussion purposes only
 3. Sample 8 ½ X 11 bills and formats
 4. References
 5. Survey of area cities using outsource vs. in-house billing

Staff Briefing: Due to technology and public demand on better communication as well as cost savings, outsourcing utility billing can meet all objectives mentioned. Details are shown on comparison analysis.

History:

Target Implementation: 10/1/2014

Significant Action Dates:

Action:

- | | |
|---|---|
| ☐ Ordinance | ☐ Resolution |
| ☐ Proclamation | ☐ Special Presentation |
| ☐ Finance Report | ☐ Public Hearing |
| ☐ Other (be Specific) | |
| ☐ Check box if there is no conflict with City Charter, ordinances, resolutions, or policies. | |

Cost Details:	
Budgeted	
Actual Bid	
Estimated Expenditure	
Acct. Name	
Line Items #	
Other Funding	

Staff's Recommendation: Discussion only

Fiscal Impact:

Utility Billing Comparison In-House vs. Outsource

	In House	Outsource
Postage	34,560	34,560
Post Cards	4,750	0 Regular 8 1/2 X 11
Ink cartridges	208	0 Included in quote
Information on bills	Limited with space	More space for information
Inserts	N/A	0 Unlimited
Staff to tear and mail		0
Contractor quote		2,952
Total	39,518	37,512

Note: Current dot-matrix printer the City is using has estimated life of 2 years maximum.

Due to technology, replace this with a heavy-duty laser printer for bills will cost around \$8,000.

In addition, post cards supplies are more expensive due to lower demands. City currently uses a vendor already has City's logo customized which helps with the cost. However, many other vendors do charge more because (1) we have to pay for cost of customizing our logo on vendor's printer to print the post cards and (2) everyone is moving toward 8 1/2 X 11 compatible with laser printers.

April 22nd , 2014

Suzy Kou
Finance Director
City of La Marque
1111 Bayou Road
La Marque, TX 77568

Reference: Written Quote Bill Print Services

Dear Suzy,

Thank you for the time you and your staff took out of your day to discuss outsourcing your print and mailing needs. Per our conversation, the following proposal is provided by DataProse to the City of La Marque for bill printing and mailing services. The proposal has been developed with every effort to meet your needs for output services.

We believe the key to success is building relationships with our clients. DataProse offers decades of experience in the document production industry. We have the experience of building and delivering document print presentment and payment services to over 350 utility customers nationwide.

Thank you for the consideration in presenting this proposal. Please review as you are able. I will follow-up soon to review the information sent.

Best Regards,

Rusty Steele
DataProse 972.462.5415
rsteale@dataprose.com

Executive Summary

DataProse is a leading provider of outsourced billing, print and mail services. DataProse is intimately familiar with the Utility Billing marketplace through longstanding relationships with software providers in the industry such as STW, Tyler Technologies, Harris Computer Systems, SunGard Public Sector, New World and many others.

For over 20 years, DataProse's leadership team has managed document composition, print and electronic delivery capabilities by serving the most demanding transaction-oriented consumer markets – the utilities and telecom industries. We have made the production of customer documents a core part of our business and understand how mission critical it is for all our clients.

Our history of creating and managing complex applications has been praised by many of our business partners. In an effort to exceed your expectations, we will work closely as a team to ensure the entire process is handled with a professional urgency unlike any other. Our advanced technology and expertise, coupled with the variety of services we offer will dramatically reduce costs and risk. Our goal is to exceed your expectations in quality, timeliness and customer service.

Below are some examples of what makes DataProse the leading provider of print and mail services in the utility billing sector:

1. The DataProse team has the experience of implementing more than 300+ customers on various billing systems and software platforms. Our primary focus has been in the Municipal Utility Marketplace.
2. DataProse has partnerships with many of the key software providers and leading solution providers in the muni space. We are a trusted partner in the billing output space.
3. We have a 20+ year background of designing high quality customer communications that get results.
4. All project development, project management and production occur under one roof.
5. Our staff's experience, technical expertise and customer management skills, can help reduce costs by streamlining the document production process.
6. DataProse offers a comprehensive integrated suite of electronic bill presentment and payment (EBPP) options.
7. Through our proven statement processing processes, DataProse will help the City of La Marque deliver an exceptional customer service experience.

Corporate Headquarters:	1122 W. Bethel Road, Coppell, TX 75019
- Southwest Production	(972) 462-5400 - Phone
	(972) 462-5429 - Fax
	www.dataprose.com

West Coast Production:	2001 Cabot Place, Oxnard, CA 93030
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Midwest Production:	317 Raemisch Road, Waunakee, WI 53597
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Contact Person:	Rusty Steele – Regional Sales Manager
	(972) 462-5415
	rsteale@dataprose.com

Staff Bios Involved in this project



Bill Murray, C.E.O & Cofounder

DataProse cofounder Bill Murray built a solid background in electronic printing and strategic account management during his 20 year career with DataProse/CSG, a leading innovator in bill presentment and direct mail. Prior to this, Murray was a top performer during his 14-year sales management career with Xerox Corporation. While at Xerox, he held management positions in the US Marketing Group. In addition to leading the sales organizations, Mr. Murray initiated and managed multiple strategic alliances. He holds a BS in Business Management from California Polytechnic University, San Luis Obispo.



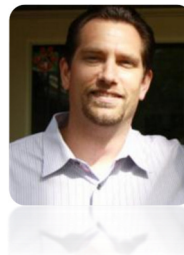
Curtis Nelson, C.O.O & Cofounder

Curtis Nelson's 20-year tenure in the billing industry with DataProse/CSG includes a special focus on electronic bill presentment and payment systems. "I always try to employ a creative, strategic leadership approach, combined with a strong technical knowledge and continuous education, but our success ultimately depends on a very simple focus: always do what is right for the customer." Managing operations for DataProse, Curtis also focuses in procedural analysis and systems project execution, SAS70, other IT Control Objectives as well as Payment Card Industry standards and guidelines. (PCI, NACHA, etc.)



Greg Haley, Director, Information Technology

Greg's experience in the IT industry spans more than 30 years and Includes a wide variety of industries and technologies - from contracting for US Home at the age of 20 to working on guided missiles and other defense systems, manufacturing automation, online payment applications, security and financial systems, database administration, and various IT management roles. Within the document preparation and presentment arena, Greg served as a lead member of the team at Fidelity Investments, responsible for integrating print and mail equipment with Fidelity's systems at multiple locations worldwide. Greg also served as the architect and developer for the Automated Document Factory at DataProse. Greg holds a BS in Computer Science Engineering from the University of North Texas and throughout his career, has served in various management roles, ranging from Team Lead, Architect, Director, and small business owner.



Robert Woods, Strategic Account Manager

Bob has been managing the day-to-day account relationships for our largest clients for over 7 years. His responsibilities include overseeing major project implementations, detailing project specifications, effective communication with various internal teams (Account Executives, Account Managers and technical and production team members) to collect and analyze statistics, and perpetual client education and consulting. With a Bachelor's of Science from Long Island University, Bob has a unique "hands-on" approach to meeting client needs. Bob's Project Management background has given him a special insight to understanding client and market needs.

Project Plan**Phase 1 – Project Overview and Scope Defined – estimated at 1 week**

- Schedule project kick-off session.
- Identify client stakeholders involved and confirm overall project scope.
- Review current statement components and process. Identify future changes/recommendations.
- Review project input checklist (format, fonts, color, messaging, graphing, etc.).
- Following kickoff, build the project schedule and review and gain agreement on project calendar and due dates with key stakeholders.
- Weekly, documented updates will be provided by the DataProse Project Manager assigned to the implementation. These updates will detail the progress made each week as well as review responsibilities and accountability of each stakeholder. Updates will also identify any potential risks to project completion.

Project Development**Phase 2 – Application Development – estimated at 3 weeks**

- Working collaboratively with Client, create layouts, present, refine, and gain final approval (sign-off) regarding offset materials if applicable.
- Working collaboratively with Client, design technical specs, map/code test data, and gain final approval on data map. Included in this segment – scan line testing and preliminary approval of lock box processor.

Project Execution**Phase 3 – estimated at 2 weeks**

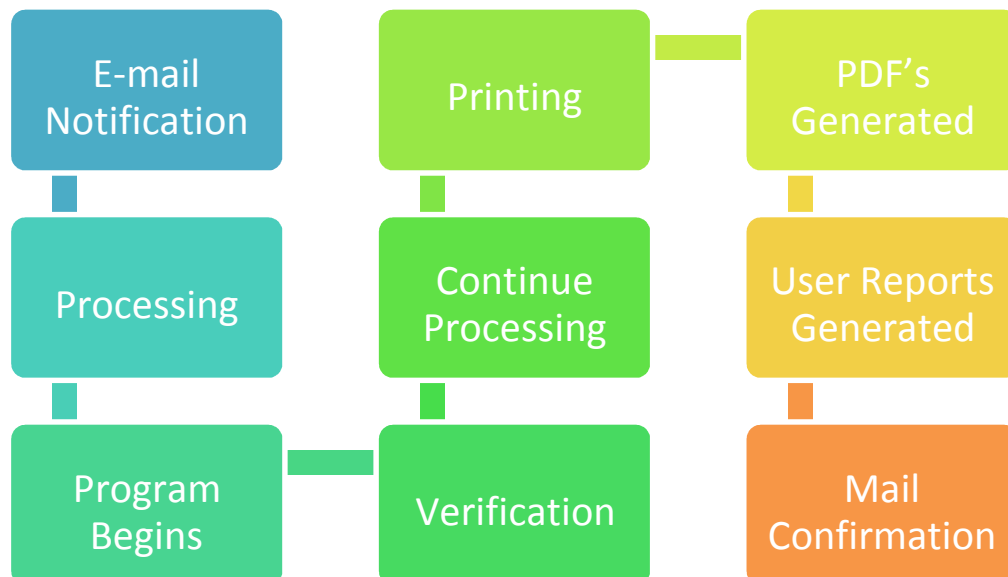
- Custom stock ordered and received – if applicable.
- Postage deposit received or verified with USPS.
- Create “live samples”, present, and gain approval. Lock box approves remit samples.
- Schedule parallel production and confirm cycle schedule with Client.
- Train client contact(s) on DPAuto – your online dashboard for process management, available 24/7 from any internet-connected computer. Includes - FTP Process, Archive, Job Tracking, and Custom Message Management.
- Receive final sign off to proceed.

In Production...

All programs implemented by DataProse have been automated to the fullest extent possible. Upon the receipt of your data, the following process will automatically begin:

- ✓ An email notification will be sent to key DataProse individuals responsible for our application
- ✓ Your data file(s) will be transmitted to the appropriate location for processing.
- ✓ The program will begin
- ✓ We will perform predefined verification steps (Developed application by application)
- ✓ Once your files have been automatically verified for accuracy, the processing will continue.
- ✓ Print files will be prepared (Your bills will then be printed and mailed within 24 hours)
- ✓ PDF files will be generated
- ✓ Electronic data will be downloaded for presentation on the internet
- ✓ Upon completion of the processing, you will be emailed a processing report (usually within 4 hours of receiving your files)
- ✓ And at the time your bills have been delivered to the USPS, you will receive a 2nd confirmation of delivery (Usually within 4 hours of mail delivery)

It is only out of our continually changing efforts to meet our client needs that we have purposely added several manual steps for verification in order to ensure that the proper attention is given to the accurate and current insert and insert weight verification and processing verification.



Description of Services

Account Management - Strategic Account Manager - S.A.M.

From the very beginning of your conversion project, we will begin the process by documenting the initial steps and setting a schedule which our team will ensure we hit. You will be given plenty of time to ensure you have ample time to complete the review and approval process. In addition, your Strategic Account Manager works closely with your software provider, to ensure that all changes and new information is addressed.

ServiceBill

ServiceBill is our printing and mailing service. By partnering with DataProse you can obtain personalized, attractive and meaningful utility statements. You send data to us via DataProse's secure Internet site. The utility bills are printed, stuffed, finished and mailed within one business day of receiving your data.

DP Auto Job-Processing at your finger tips:

Secure Access:

[Home](#)
[FAQ](#)
[Help & Contact Us](#)

Secure Sign In

Forgot Password? Click [Here](#)

Register



- Online statement look up
- View recent activity
- Online payments

Secure Online Viewing and Payment System

ABOUT SSL CERTIFICATES

Secure FTP



[Ucontrol](#)

[FAQ](#)

[Contact Us](#)

[Logout](#)

Upload your data files from here.

Submission Type

Comprehensive Reporting



Ucontrol My Profile FAQ Contact Us Logout

Current Submission

Submission Type	File Name	ID	Receive Date	# Docs	# Pages	Status
DEMO Utility Bill	ubdtaprs.zip	1648	08/02/2012	2253	2253	Ready To Print

Available Reports: [Bad Address Report](#), [Change Address CSV](#), [Itemized Submission Report](#), [NCOA Move Report](#), [Presort Document CSV](#), [Return Address Summary](#), [Satori CASS 3553](#), [Satori Move Summary](#), [Submission Breakdown Report](#), [Submission Detail Report](#)

Search by: From To

Document Date: Max to display:

Account #:

Account Name:

Select Document to view

Account #	Account Name	Doc ID	Document Date	Amount	Amount Due
004-0001001-000	PRIEST, JOE	1	08/02/2012	49.98	49.98
004-0002004-011	ROSS, BONNIE OR ANDY	2	08/02/2012	42.19	42.19
004-0003100-002	KILLER RIDEZ	3	08/02/2012	34.28	34.28
004-0004004-011	HERD, TRAMONICA	4	08/02/2012	65.38	65.38
004-0005000-009	YAWS, MARVIN	5	08/02/2012	65.27	65.27
004-0005010-001	GEORGE WELCH CONSTRUCTION	6	08/02/2012	49.98	49.98
004-0005040-000	HALL AUTO 07	7	08/02/2012	49.98	49.98
004-0005103-002	DALLAS AUTO, SALES & SERVICE	8	08/02/2012	73.00	73.00
004-0006001-002	GATLIN FENCE & SUPPLY	9	08/02/2012	89.36	89.36
004-0007000-006	SEAGOVILLE MOTORS	10	08/02/2012	30.85	30.85
004-0008000-001	WHITES FLORIST	11	08/02/2012	72.06	72.06
004-0009010-001	AUTOMATIC ACCESS DOORS, INC.	12	08/02/2012	24.00	24.00
004-0009001-006	PUBLIC AUTOS, LTD DBA DEALS &	13	08/02/2012	49.98	49.98
004-0009100-002	PUBLIC AUTOS, LTD	14	08/02/2012	102.90	102.90
004-0010100-000	WHATABURGER	15	08/02/2012	327.89	327.89
004-0010900-001	METROPLEX SELF STORAGE	16	08/02/2012	495.45	495.45
004-0011000-002	TURNER TRUST #2	17	08/02/2012	24.00	24.00
004-0012000-009	ALCOHOLICS ANONYMOUS	18	08/02/2012	24.00	24.00
004-0016000-005	CBT INVESTMENTS	19	08/02/2012	37.00	37.00
004-0016100-007	BUTCH WILSON CAB. & COUNTER TO	20	08/02/2012	28.11	28.11
004-0017000-008	EFFECTIVE TAX SERVICE/YVETTE R	21	08/02/2012	0.00	0.00

DP² CONNECT

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Ucontrol

Logout

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PDF

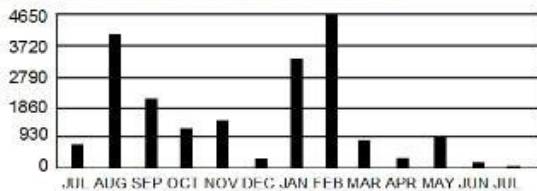


CITY OF SAMPLE
UTILITY BILLING DEPT.
PO BOX 591
ELGIN, TX 78621-0591



FRANK MANGRUM
1123 N COMMERCE ST
GAINESVILLE, TX 76240-2663

YOUR MONTHLY USAGE (IN GALLONS)



SPECIAL MESSAGE

Final Message* 1
Final Message* 2
Final Message* 3
Final Message* 4
Final Message* 5
Final Message* 6
Final Message* 7
Final Message* 8
Final Message* 9
Final Message* 10
Final Message* 11
Final Message* 12
Final Message* 13
Final Message* 14
Final Message* 15

PAYMENT COUPON

Please return this portion along with your payment. Please make your check payable to the City of Sample.

Account Name: FRANK MANGRUM
Account Number: F* 007-0210000-015
Service Address: 1123 N. COMMERCE

Billing Date: 07/29/2010
Due Date: 08/10/2010

TOTAL AMOUNT DUE: \$136.63

OFFICE USE ONLY

ACCOUNT STATEMENT

For inquiries please call City Hall 512-281-5724
Office Hours Monday-Friday 8am - 5pm
After Hours Emergencies 512-281-5758
Visit us online www.sampletx.com

ACCOUNT INFORMATION

Account Number: F* 007-0210000-015
PIN Number:
Service Address: 1123 N. COMMERCE
Service Period: 06/30/2010 to 07/22/2010
Billing Date: 07/29/2010
Due Date: 08/10/2010

CURRENT ACCOUNT ACTIVITY

Meter/Code	Previous	Current	Usage
Drainage	115070	115090	20

CURRENT CHARGES

	AMOUNT
Drainage	\$0.93
Water	\$4.90
Sewer	\$4.56
Refuse	\$4.49
Tax	\$0.37

AMOUNT DUE

Total Current Charge	\$15.25
Past Due Amount	\$121.38
Total Due	\$136.63

*** Final Bill ***

Terms: Bills are due and payable upon receipt. If payment is not received by 5:00 pm on the 15th of the month, a 10% penalty will be added. If payment is not received by 5:00 pm on the 25th of the month, a \$25.00 fee will be added and services will be disconnected.

This is the only bill you will receive. Service will be disconnected for non-payment on the 26th of the month if payment is not received in our office.

Amount Enclosed: \$

Return this coupon with your payment made payable to:

Reports

DataProse provides a wide range and types of reporting for client reconciliation for each job/project submitted for production. The most important report that most easily details the breakdown of records received and processed is the "Itemized Submission Report". This report is presented in a PDF format and is available immediately after processing is complete. Although this is the only report has been included in the RFP response, there are many others available after processing that provide additional detail.

- Itemized Submission Report – PDF
- Submission Breakdown Report - PDF
- Submission Detail Report – PDF
- Bad Address Report – PDF
- Presort Document – CSV
- Change Address – CSV
- CASS 3553 – PDF
- Move Summary – PDF
- NCOA Move Report – PDF

The Change address report is provided in CSV format for the client to upload back into your CIS system in order to correct addresses that have a move update on file with the USPS.

Variable Data/Highlight Color Laser Printing

DataProse employs the most advanced Xerox Highlight Color Laser Printers with the ability to print simplex or duplex statements in crisp 600x600 resolution!



Mailing - Finishing

DataProse utilizes Bell & Howell and Pitney Bowes inserting equipment which can produce a wide variety of statements. Using barcoding techniques that keep each run in order.

100% output verification is becoming the standard of service for all intelligent mail applications. Document Reliability System (DRS) delivers better service to your customers through automated mail piece verification.

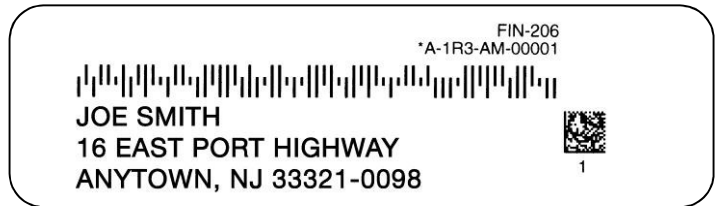
DRS utilizes an innovative camera system to read and report each document as it is processed, providing correct sequence assurance, and producing a full audit trail verifying each envelope's completion. The system allows us to quickly identify and fix any doubles, missing documents, or insertion errors mid-stream without compromising the production process or audit trail.



Camera System

DataProse utilizes a camera verification system to track and verify document specific data to ensure the integrity of each mail piece. The camera captures images of the mail pieces (address window) as they travel through the inserting process in a predefined sequence. The images are transmitted to our system and OCR software reads the barcodes to spot any breaks in the sequence or document specific information. The information that we and verify includes:

- Envelope Id
- Print Id
- First Page Indicator
- Envelope Sequence Id
- Component Id
- Job Id
- Address Type Id
- Client Id
- Custom Stock



check

United States Postal Service

DataProse maintains a very tight partnership with the United States Postal Service, using technology to provide the best postage rates possible for our clients. Our highly trained staff members use the most advanced sorting techniques to improve efficiency of statement delivery. We keep track of ever-changing postal regulations so you don't have to.

Postage

The following is the USPS postage rate chart. Mail pieces up to two ounces will range from \$0.380 to \$0.424. All though most of your mail will qualify for the 3- 5 Digit rate or possibly lower, it is impossible to know what your exact postage cost will be without running your data through our mailing software. Please know that our presort software will achieve the lowest rate possible.

Special Handling

All of our processes are automated and streamlined. However, there are segments of a project that require special handling. For those special considerations, we have a special handling department. This department handles an array of functions such as multiple statements into one envelope, FedEx, UPS, reprints, or any other requirement.

Flexibility

We understand the complexity of the entire process and have made every effort to ensure we move quickly in order to benefit both you and your customers. This flexibility exists from setting the schedule to making last minute changes. We will accommodate your hectic schedule and make sure our efforts work around the client's schedule. We will work extensively with all parties to make sure your data is outputting correctly and that you documents are delivered with only the best quality standards in mind. Your Account Manager will be available 24/7 throughout this project plan to ensure issues are address swiftly and the schedule is maintained.

Document Layout & Design

DATAPROSE utilizes the latest in document layout and design software which allows us to incorporate personalized one-to-one marketing informational content on the document. DataProse has unlimited capabilities to redesign the current documents as required by you, if desired. Our systems can support variable text processing, all special character emphasis requirements, variable graphics as well as custom data-driven graphics (bar charts, pie charts, etc.) as well as replication of current bill layout.

Data Processing

DataProse will create a customized program to meet your distinct needs. DataProse will perform the following preprocessing functions to compile, print, determine postage, and mail the documents. Our software will ensure that you will receive the maximum postage discounts for First Class automated bar code rates.

Data Transmission and Processing

When DataProse detects a file transmission it notifies you immediately that we have received your file successfully. In addition, triggers the processing of the client data. This import processing generates two main reports for the customer:

Import Summary

This report typically lists the record and page count received per data file, document type, and document date. If there are any records suppressed during the import process, there will be a Rejected count shown on this report. Customers will use this report to verify that we received all of the data transmitted. If the customer generated 8000 records to send to DataProse and the import summary only showed 7,400, this would indicate a problem in the data transmission where we didn't receive all of the data files or there was a partial file received. In most cases, DataProse doesn't know how many documents to expect so it is important that the customer review this report carefully to ensure that all documents to be processed have been received.

Rejection Summary

This report will list detailed information about all of the records that were suppressed during the import process. Records may be suppressed for a variety of customer-defined criteria including but not limited to: state-specific suppressions, dollar amount restrictions, unknown document types, etc. This report typically will contain the data filename, document type, document date, account number, address line1, and the reason why it was suppressed. When customers provide custom criteria for suppressing documents, it's very important that this report is reviewed closely to be sure the appropriate records are being suppressed. This report is only generated when documents are suppressed.

There may be additional reports that are created for the customer upon request or depending on different processing configurations. However, these two reports are the most critical to ensure that we are processing the correct data. If the data sent is not shown on the import summary then we did not process it and the customer should contact us immediately so that the appropriate actions are taken.

In addition to the reports that are generated, DataProse will also generate a set of PDF QA Proofs to show what the documents would look like in production. We typically will include only a subset of the documents transmitted in the QA proofs. We'll show you at least one document of every type (i.e., different letters, invoices, statements, etc.). If there is conditional processing on the documents, we'll include at least one proof of every instance of the conditional logic. Where there is state-specific verbiage on the documents, we'll include an instance of each state used. We also have the ability to seed the QA proofs with certain customer supplied accounts or criteria and to increase the quantity of proofs provided for each set of criteria. This is an actual representation of the final printed document that will be mailed to the addressee. It is very important that these proofs are carefully reviewed for content and accuracy.

When programming changes are requested, DATAPROSE will perform all of the coding, testing and proofing in our development system. The customer will ultimately approve the changes based on proofs generated from the development system. Once these proofs are approved, DataProse must roll out the changes into our production system. The first time this code runs in the production system, it is critical that the customer review the QA proofs generated to be sure that the change is correct based on our production code and the customer supplied production data. There are many scenarios where the test data originally provided to programming to make the change may be different from the data actually received in production that may cause undesired results to the final documents.

DataProse offers two types of processing to our customers: **AutoApprove** and **ConfirmationHold**:

ConfirmationHold

DataProse processing will stop after the import reports and QA proofs are generated. The customer must review the reports and can either approve the job for production or indicate that the job should be rejected. DataProse offers a web portal, to allow the customer to take all of these actions and review all of the documents via a secure, real-time web site. This offers the customer the greatest protection against mailing errors since they have the time to carefully review and approve all documents before they are introduced into production. In this scenario, our mail guarantee is to drop within 24 hours of the time that the documents were approved for production. If there are errors in the documents, the customer has the ability to reject the files for processing and can either fix the error if it was from the data transmitted to DataProse and retransmit or to work with the DataProse's Customer Service department to correct and/or change any of the programming issues with the documents.

AutoApprove

DataProse processing will continue after the import reports and QA proofs are generated and the documents will proceed immediately into production. The responsibility will be on the customer to review the reports and proofs and notify DataProse as soon as possible if any problems are detected. There is typically a slight delay between the time the documents are prepared for production and when production actually begins. As long as the production job has not left the building, we can stop a mailing but once the USPS has taken the mail, there is nothing we can do. If the job has already begun production (lasering and/or inserting) when it needs to be stopped, the customer is responsible for any costs incurred including components (paper, envelopes), laser charges, postage reclamation charges and labor. The AutoApprove option offers the customer the greatest performance in the fact that there are no delays waiting for the job to be approved but it comes with the largest amount of risk given that errors may go undetected and additional costs may be incurred due to stoppage of production and/or resending a mailing with an apology/correction notice.

Preprocessing to Maximize Postage Savings

To insure the highest postage discounts while guaranteeing the accuracy of the addresses and zip codes supplied by you, DataProse will:

- Utilize our software to verify valid addresses from the client's data
- Create a data stream for documents with missing zip codes or bad addresses
- Sort data into mail streams required by the USPS for postage discounts
- Add and verify Zip+4 Postnet barcode to all addresses to aid presorting, if necessary

Production Services

From data processing, to reporting, printing and mailing services, DataProse has integrated state of the art software and technology in this process. From the time data is transmitted to our servers, we pride ourselves in the ability to track each and every record throughout the process. Each record is processed and receives a time-stamp when inserted and mailed – Piece-level tracking is critical to our process and to your peace-of-mind as it not only gives us the ability to manage production; it provides you with an electronic view into our operation as well – all in ‘real-time’.

Quality Assurance

The success of an alliance with DataProse would be based on a consistent level of excellence in product dependability, availability and stabilized pricing. Equally important is the assurance of excellence in customer service responsiveness, problem solving, and solutions.

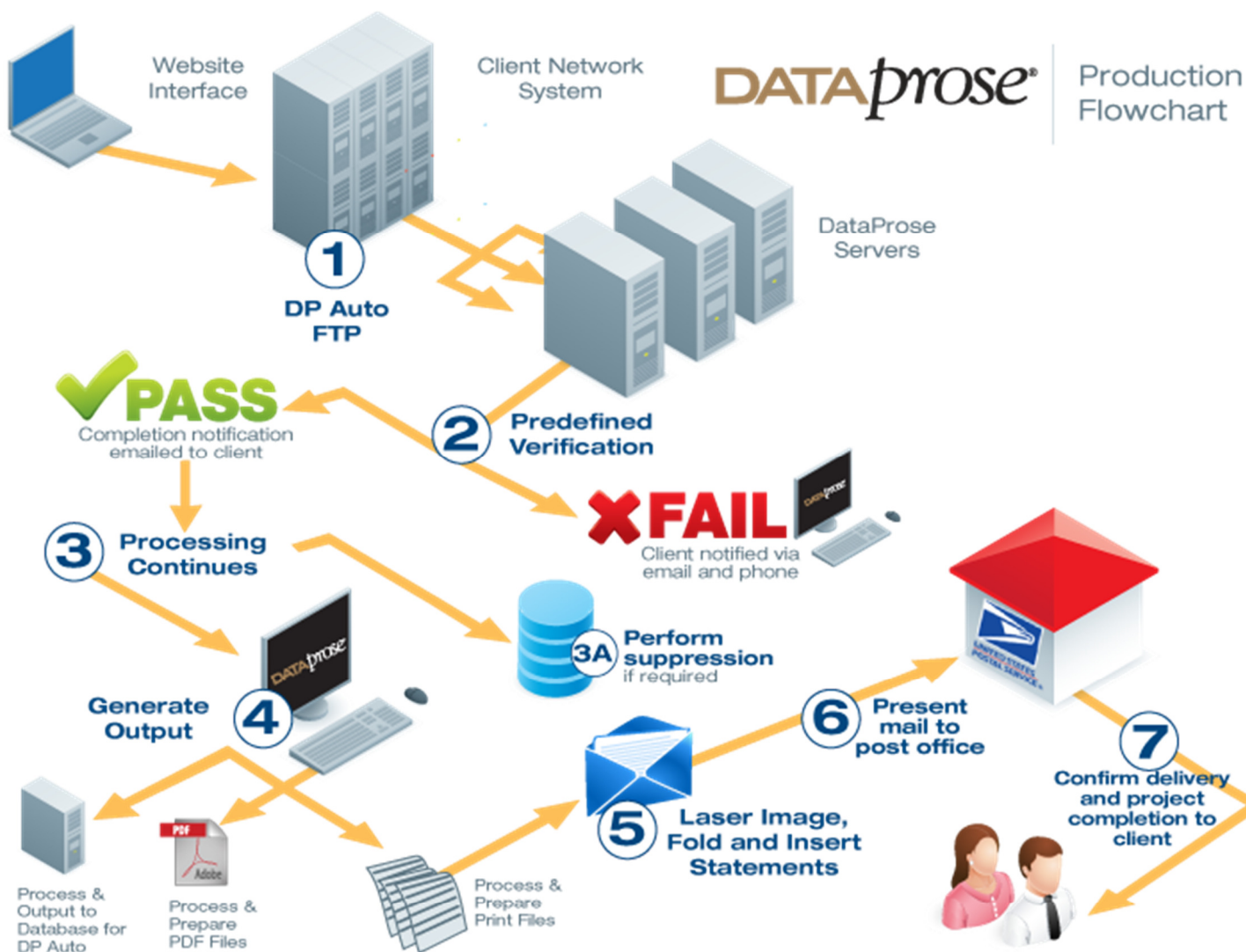
DataProse has in place measures to ensure:

- Quality control
- Availability and uninterrupted work flow
- On-time delivery
- Pricing and contract adherence
- Corporate identity and specification adherence
- Strict data security and confidentiality
- Customer service responsiveness
- Accurate and verifiable billing and cost allocation
- Accurate history and usage reports



HIPAA

DataProse has established a dedicated team whose focus is to ensure that every aspect of our business is in compliance with the applicable legislation and its required effective dates. Our continuing goal is ongoing interpretation of the HIPAA regulations and their applicability to DataProse's printing's operations.



Disaster Recovery

1. Business Continuity Planning Strategy

Business Continuity Planning (BCP) aims to prevent or minimize damage from disruptions in operations.

DataProse's Business Continuity Plans are intended to:

- Prevent a minor incident from becoming a major issue
- Clearly outline roles and responsibilities
- Minimize loss of data and revenue
- Protect DataProse's reputation
- Satisfy DataProse's obligations to its employees, customers, and community
- Comply with applicable laws and regulations

2. DATAPROSE's Business Continuity Policy

It is the policy of DataProse that plans are developed and maintained to ensure adequate continuity in the event of a disaster.

DataProse's business continuity plans are designed to protect the interest of our customers, and employees.

3. Assumptions

- a) Not all incidents or events will lead to a disaster declaration. The declaration of a disaster will be reserved for major system and/or infrastructure failures (network, facility or computer hardware/software) where initiation of BCP recovery procedures is required.
- b) BCP Plans and recovery procedures are developed around a single disaster or event impacting DataProse's business-critical functions.
- c) Alternate sites/vendors/resources will be available to DataProse at the time of need.
- d) Qualified personnel in sufficient quantities are available to perform recovery activities.
- e) Organizations external to DataProse, such as vendors and government agencies will be reasonably cooperative during the recovery period.

4. Recovery Sites

DataProse's business continuity strategy integrates alternate site recovery facilities provided by print/mail recovery vendors and 3rd Party Alternate Work Site Agreements in Oxnard, CA, and Madison, WI.

5. Recovery Strategy

Recovery facilities are stand-alone production facilities encompassing statement production, warehousing and administrative departments. All plans are developed so that work can be moved from facility to facility and in this way serve to back one another up.

6. Client Communications

As part of a comprehensive communications plan that outlines the management, escalation and communication processes during a disaster situation, the facility general manager will coordinate communications to its internal customers. Working together and in accordance with the overall business continuity plans, communications will share information and/or impacts with clients as timely as is possible

Business Continuity Plans are consistent with the following steps: Declaration:

- DataProse will communicate to all customers that a disaster has been declared and that DataProse is operating in disaster recovery mode.
- DataProse will be responsible for vendor notification - obtaining additional forms and materials for transport to the alternate processing facilities.
- All statements from the impacted facility will be transferred and processed through one of the alternate processing facilities where printing, inserting and mailing functions will take place.

Data Transmission:

- Upon a disaster declaration by DataProse, customers will not need to make any change to their statement file transmission method. Customers with dedicated circuits would have to provide statement data via tape or over the internet. (DataProse will provide assistance to those customers wishing to use the internet to ensure connectivity).

Printing:

- Printing will be performed by the alternate processing facilities or the third party print and mail vendor.
- DataProse will attempt to use all available custom forms; however, we may elect to use plain white forms without logos to ensure mail is processed in as timely a manner as possible.
- DataProse will make every attempt in a disaster to print utilizing the same type/model of printers as used in non-disaster situations but may elect not to provide highlight color or full business color as an option.

Inserting:

- Inserting will be performed by the alternate processing facilities or the third party print and mail vendor.
- Custom inserts will not be included as part of the inserting process. Dynamically created inserts can be included. The decision to include/not to include inserts will be reviewed as the resumption process continues.
- DataProse will continue to handle and be responsible for special handling needs - processing holds, etc.
- Generic carrier and remit envelopes will be used at the onset of the disaster declaration. The decision to include/not to include custom carrier and remit envelopes will be reviewed as the resumption process continues.

Zip Sorting:

- DataProse will continue to process mail pieces in zip code order for presentment to the USPS to ensure the best Postal rate is achieved.
- DataProse will provide a report of volume for work processed each day.

PRICING

The following pricing applies to monthly billing statement production. The monthly statement volume is estimated at approximately 6,000 statements monthly.

Statement Container Includes:

- | | | |
|--|---------|-----|
| - Data processing | \$0.115 | Ea. |
| - Simplex two-color laser printing | | |
| - 8.5 x 11 paper w/perforated payment coupon | | |
| - #10 single window envelope | | |
| - #9 return envelope | | |
| - Fold, Insert, presort and deliver to USPS | | |

Additional Inserts

- | | | |
|---|---------|-----|
| - Cost to insert (newsletter, fliers, etc.) | \$0.015 | Ea. |
|---|---------|-----|

Implementation – STW

- | | | |
|--------------------|-----|--|
| - Statement Set-up | N/C | |
|--------------------|-----|--|

(Optional Charges/Services):

Statement Archive

- | | | |
|---------------------------------|---------|-----|
| - includes 12 months of storage | \$0.015 | Ea. |
|---------------------------------|---------|-----|

- | | | |
|------------------------|--------|-----|
| Additional Impressions | \$0.04 | Ea. |
|------------------------|--------|-----|

- | | | |
|---|--------|-----|
| Oversized bills (8-99 pages) – includes 9 x 12 envelope | \$0.20 | Ea. |
|---|--------|-----|

- | | | |
|---|--------|-----|
| Oversized bills (100+ pages) – includes box | \$4.00 | Ea. |
|---|--------|-----|

- | | | |
|--|-------|------|
| Additional programming – client requested/approved | \$125 | Hour |
|--|-------|------|

- | | | |
|--------------------------------------|--------|------------|
| NCOALink (Address Correction/Update) | \$0.50 | Correction |
|--------------------------------------|--------|------------|

- | | | |
|---|--------|------------|
| Bill Suppression (Data Processing only) | \$0.05 | Record Ea. |
|---|--------|------------|

- | | | |
|-----------------|---------|-----|
| Offline folding | \$0.005 | Ea. |
|-----------------|---------|-----|

- | | | |
|---|---------|--|
| Special Handling – Overnight + FedEx charge | \$10.00 | |
|---|---------|--|

- | | | |
|-------------------------------------|---------|-----|
| Estimated Postage cost/1-2oz. piece | \$0.406 | Ea. |
|-------------------------------------|---------|-----|

- | | | |
|-----------------------|--|--|
| - effective 1/26/2014 | | |
|-----------------------|--|--|

Monthly = \$3,126

Annually = \$37,512

These amounts include postage.

Glossary of Terms:

<i>Impressions</i>	Laser imaging of one side of one piece of paper. Each piece of paper potentially contains two (2) impressions.
<i>USPS</i>	United States Postal Service.
<i>Laser Imaging</i>	The process where the application of dry toner (ink) is electro statically applied and bonded to a piece of paper.
<i>Simplex</i>	Laser imaging of one (1) side of a piece of paper.
<i>Duplex</i>	Laser imaging of both sides of a piece of paper.
<i>OE</i>	Outer Envelope
<i>RE</i>	Reply Envelope
<i>Presorting</i>	The act of organizing mail according to the rules and regulations defined by the USPS in order to achieve lower postage rates and increase deliverability of mail.
<i>Additional Inserts</i>	Any item requested to be placed into the mail container above and beyond the bill and the RE.
<i>Container</i>	One complete piece of mail packaged into one OE.
<i>Business Day</i>	Any day in which the USPS as well as the U.S. Federal Reserve are open for business.



CITY OF BAYTOWN
P.O. Box 424
Baytown, TX 77522-0424

ACCOUNT STATEMENT

for the period of **Nov. 11, 2011** to Dec. 16, 2011

Customer Number: **999999**

Service Address: **12345 W MAIN STREET**

Account Number
0099999999

Due Date
12/28/2011

Amount Due
\$95.44

**SINGLE-PIECE 1 SGL t.4DA-1025-1-A-1
4 1 SP 0.410



JOHN Q SAMPLE
12345 W MAIN STREET
BAYTOWN TX 75021-3022

Questions about your Statement

Customer Service.....281-420-6515

Payments.....281-420-6512

Email.....utilitybilling@baytown.org

Office Hours

Monday-Friday.....8 a.m. - 4 p.m.

Drop box located in front of City Hall

WATER USAGE

Meter Number	Previous	Current	Consumption
67341736	127440	127560	120 kGal

CURRENT CHARGES

Water — 120kGal @ 0.634	\$76.08
Refuse.....	\$16.50
Park.....	\$ 1.50
Tax	\$ 1.36
Balance from your last bill.....	\$112.35
Payment(s) — thank you	\$112.35-
Balance Forward.....	\$ 0.00

Total Amount Due Now\$95.44

Total amount due after 12/28/11\$100.44

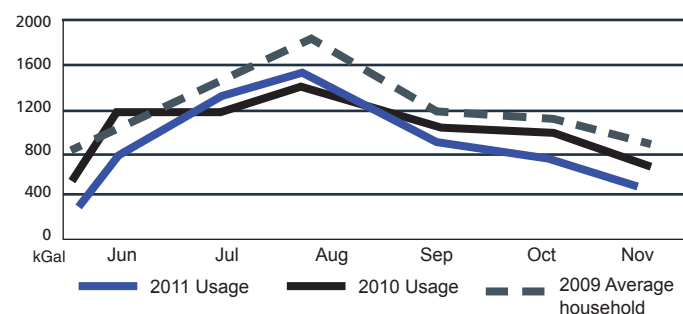


Do Not Wait To Fix Leaks

Hidden leaks caused by a corroded flush valve can waste over 73,000 gallons of water per year.

Stage 2 Water Restrictions in Effect

YOU'RE MAKING A DIFFERENCE



Congratulations, your water usage has decreased for this months statement!

How does my home compare

Total costs from November 11, 2011 to December 16, 2011



Payment Coupon — Please return this portion along with your payment and make your check payable to the City of Baytown

Account Information

Account Number:	0099999999
Cycle:	01
Service Address:	12345 W Main Street
Last Payment:	11/07/2011 -112.35
Service Period:	05/15/10 to 06/15/10
Billing Date:	12/04/11

John Q Sample
12345 W Main Street
Baytown, TX 75021-3022

Account Number
0099999999

Due Date
12/28/2011

Amount Due
\$95.44

Amount
Enclosed:

\$.

Return this coupon with your payment made payable to :



CITY OF BAYTOWN
UTILITY BILLING
P.O. BOX 424
BAYTOWN, TX 77522-0424



CITY OF CUERO
UTILITIES DEPARTMENT
PO BOX 660
CUERO TX 77954



*****Endorsement Line***** 99999-S1D1

1 SP manifest key line



JOHN Q SAMPLE
12345 N MAIN ST
CUERO, TX 77954-1234

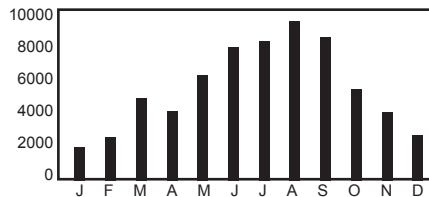
ACCOUNT INFORMATION

Account Number: 99-9999-99
Service Address: 12345 N MAIN ST
Service Period: 08/08/2012 to 09/12/2012
Billing Date: 09/28/2012

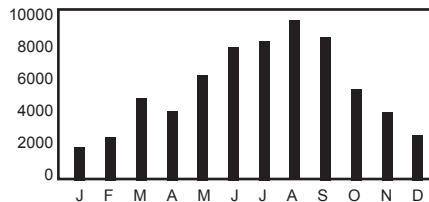
MONTHLY USAGE



ELECTRIC



WATER



SPECIAL MESSAGE

CUERO COLLECTION CENTER IS
HAVING FREE DUMPING ON
OCT 22 THRU OCT 27TH

QUESTIONS ABOUT YOUR STATEMENT

For Inquiries please call City Hall:(361) 275-6114
Office Hours:..... Monday-Friday / 8 a.m. to 5 p.m.
Online Payments Available..... www.cityofcuero.com
Drop Box Locations: Front of City Hall and drive-thru service window

ACCOUNT STATEMENT

METER USAGE

Meter	Days	Current	Previous	Usage
ELECTRIC	30	90516	92553	2,037
WATER	30	641	671	30
WATER	30	128	130	2

CURRENT ELECTRIC CHARGES

Base Charge	\$67.07
KWH Charge	\$47.85
Power Cost	\$146.87
Subtotal Amount	\$261.79

CURRENT WATER CHARGES

Base Charge	\$96.50
Water Charge	\$84.32
Subtotal Amount	\$180.82

CURRENT SEWER CHARGES

Base Charge	\$14.60
Sewer Charge	\$72.36
Subtotal Amount	\$86.96

CURRENT OTHER CHARGES

Garbage Charge	\$20.00
Garbage Fuel Charge	\$2.00
Security Light	\$7.72
One Time Charge	\$184.46
Total Taxes	\$5.97
Subtotal Amount	\$220.15

TOTAL CURRENT CHARGES

Balance Forward	\$749.72
Deposit	\$-12.82
TOTAL AMOUNT DUE NOW (NET)	\$636.90
Total Due After: 10/12/12 (GROSS)	\$700.59

FINAL BILL

PAID BY BANK DRAFT ON 10/12/12 OR NEXT BUSINESS DAY

10% PENALTY IF NOT PAID BY THE 12TH
SERVICE DISCONNECTED IF NOT PAID BY THE 22ND

PAYMENT COUPON - PLEASE RETURN THIS STUB ALONG WITH YOUR PAYMENT. The Utility Department and drive-thru service window are open M-F, excluding holidays, from 8 a.m. to 5 p.m. For your convenience, an after-hours drop box is located next to the drive-thru window and in front of City Hall.

ACCOUNT INFORMATION

Account Number: 99-9999-99
Service Address: 12345 N MAIN ST
Service Period: 08/08/2012 to 09/12/2012
Billing Date: 09/28/2012
Online Payments Available www.cityofcuero.com

JOHN Q SAMPLE
12345 N MAIN ST
CUERO, TX 77954-1234

Account Number
99-9999-99

Due Date
10/12/2012

Amount Due
\$636.90

Amount Due if Paid After 10/12/2012: \$700.59

Amount

Enclosed:

\$

Remit this coupon with your payment made payable to:

CITY OF CUERO
PO BOX 660
CUERO TX 77954



☐ If address above is not correct, please check the box and update your information on back of this form.



11056502



IMPORTANT INFORMATION

Net charges to customers for utility service shall be due and payable on or before the 12th of each month. In the event the current monthly bill is not paid on time, gross rates shall apply and a disconnect notice will be mailed. Gross rates must be paid within 10 days. If the bill is not paid on or before the 22nd of the current month, services will be disconnected for nonpayment. **Late fees are not waived.**

When it becomes necessary for the city to discontinue utility service to a customer for nonpayment of bills; service will be reinstated only after all bills for service then due have been paid in full. A deposit may be required to reconnect service. A reconnect fee will also be collected. **A \$30.00 non-sufficient funds fee will apply for return checks and/or returned drafts.**

PAYMENT INFORMATION

Cash, check, money order, or credit/debit cards are accepted.

INSIDE OFFICE OR DROP BOXES

Payments are accepted at City Hall located at 201 E. Main Street; Monday - Friday, from 8:00 am - 5:00 pm. Payment drop boxes are provided and accessible 24 hours a day, 7 days a week. One is located in the front of City Hall on East Main Street and the other is located off of East North Railroad Street at the entrance to our drive-thru service window.

BY MAIL

Payments can be mailed to:

CITY OF CUERO UTILITIES
PO BOX 660
CUERO, TX 77954

ONLINE

Online payment is available at www.cityofcuero.com. Account number and amount of last payment along with an email address for registration is needed.

BY BANK DRAFT

Customers do have the option of paying their bill by bank draft. To participate in bank draft, a form must be completed with utility customer information along with a voided check. Payments will be deducted from your bank account on the due date. If the due date falls on the weekend, it will be drafted the following business day. You will still receive the bill in the mail.

ADDRESS CHANGE INFORMATION

Name: _____

Street Address: _____

City: _____ State: _____ Zip: _____

Telephone: _____ Email: _____

WALNUT CREEK SPECIAL UTILITY DISTRICT
PO BOX 657
SPRINGTOWN, TX 76082-0657



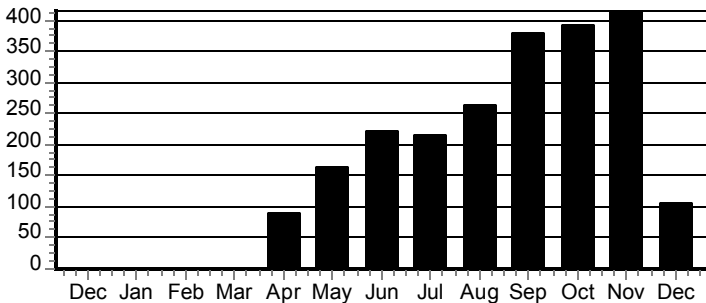
*****Endorsement Line*****

```
1 SP manifest key line*****99999 99999 S1D3
```



JOHN Q SAMPLE
12345 ANYSTREET RD
ANYTOWN, TX 76082-0657

YOUR MONTHLY USAGE (IN GALLONS)



SPECIAL MESSAGE

NEW BILLING FORMAT
COMING EARLY 2013

ACCOUNT STATEMENT

For Inquiries Please Call: 817-220-7707 or 817-523-4463
 After Hours Emergencies: 817-523-4463
 Pay Bill Online: www.walnutcreeksud.org
 Office Hours: Monday-Friday - 8 a.m. - 5 p.m.
 Drop box located in District Office drive thru.

ACCOUNT INFORMATION

ACCOUNT NUMBER:	99-9999-99
SERVICE ADDRESS:	12345 ANYSTREET RD
SERVICE PERIOD:	11/16/2012 to 12/17/2012
DAYS IN CYCLE:	31
LAST PAYMENT RECEIVED:	11/27/2012
BILLING DATE:	12/20/2012
DUE DATE:	1/1/2013

CURRENT ACCOUNT ACTIVITY

<u>Meter Number</u>	<u>Previous</u>	<u>Current</u>	<u>Usage</u>	<u>Amount</u>
66780626	6987	7093	10,600	\$73.93

CURRENT CHARGES

<u>Service</u>	<u>Amount</u>
Water	\$73.93
State Fee	\$0.37

AMOUNT DUE

Volunteer Fire Donation	\$1.00
TOTAL NEW CHARGES	\$75.30
Past Due	\$285.80
TOTAL AMOUNT DUE 1/1/2013	\$361.10
AMOUNT DUE AFTER 1/15/2013	\$369.10

Terms: Bills are due and payable upon receipt. If payment is not received by 5:00 pm on the 15th of the month, an \$8.00 penalty will be added.

Payment Coupon — Please return this portion along with your payment and make your check payable to **WALNUT CREEK SUD**



WALNUT CREEK SPECIAL UTILITY DISTRICT
PO BOX 657
SPRINGTOWN, TX 76082-0657

ACCOUNT INFORMATION

ACCOUNT NAME:	JOHN Q SAMPLE
ACCOUNT NUMBER:	99-9999-99
SERVICE ADDRESS:	12345 ANYSTREET RD
SERVICE PERIOD:	11/16/2012 to 12/17/2012
BILLING DATE:	12/20/2012

DUE DATE: 1/1/2013

AMOUNT DUE

TOTAL AMOUNT DUE 1/1/2013	\$361.10
Amount Due if Paid After 1/15/2013:	\$369.10

Amount Enclosed: \$.

Return this coupon with your payment made payable to:

WALNUT CREEK SPECIAL UTILITY DISTRICT
PO BOX 657
SPRINGTOWN, TX 76082-0657



STW Inc. References

DATAPROSE works with a large base of municipalities. Here are a few cities that we work with:

Client References

Csilla Stiles
Finance Director
City of Nassau Bay
18100 Upper Bay Road
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Services: Billing Statements



Dodie Thomas
Utility Billing Manager
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310 North Main Street
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Miykael Reeves
Finance Director
City of Red Oak
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Services: Billing Statements



References

DATAPROSE works with a large base of municipalities. Here are a few cities and strategic companies that we work with:

Client References

Gina Rivon
Utility Billing Manager
City of Baytown
2505 Market Street
Baytown, TX 77520

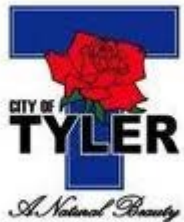
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**Services: Billing
Statements**



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**Services: Billing
Statements
Dates of Service:
06/2005 to present**



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**Services: Billing
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Survey on outsourcing:

City of Texas City
Outsources to Direct Mail Partners

Dickinson
Outsources to Dataprise

City of Friendswood
Outsources to Peregrine Solutions

City of Hitchcock
Outsources to ABR

City of League City
Outsources to HOV



CITY COUNCIL AGENDA FORM

Meeting Date: April 28, 2014
Prepared by: Carol Buttler
Department: Administration

Agenda item: 5
Reviewed by: _____

AGENDA ITEM DESCRIPTION: Discussion and provide City Manager with direction regarding Code of Ordinances Sections 41-115 (Subdivision) and Sections 44-7 (Weeds) as they relate to mowing of ditches throughout the City.

- ☒ Attachments for reference
1. Ordinance - Subdivision
 2. Ordinance - Weeds

Staff Briefing:

- Councilmember Trube requested this item be placed on the agenda for discussion.
- At this time, shallow swell areas and ditch areas less than 4 feet in depth do not qualify for mowing by City crews.

History:

- Over time, citizens have inquired why the City mows certain open area ditches and not others.

Target Implementation: Dependent on City Council direction

Significant Action Dates:

- 4.14.2014 – Discussed at City Council meeting, it was the direction of City Council to bring back at a later date proposed changes to both the Subdivision and the weed control ordinance as they relate to the mowing of ditches

Action:

- | | |
|--|---|
| ☒ Ordinance | ☐ Resolution |
| ☐ Proclamation | ☐ Special Presentation |
| ☐ Finance Report | ☐ Public Hearing |
| ☐ Other (be Specific) | |
| ☒ Check box if there is no conflict with City Charter, ordinances, resolutions, or policies. | |

Cost Details:	
Budgeted	
Actual Bid	
Estimated Expenditure	
Acct. Name	
Line Items #	
Other Funding	

Staff's Recommendation: Provide direction to City Manager.



CITY COUNCIL AGENDA FORM

Fiscal Impact: Dependent on City Council direction.

Sec. 41-115. Large lot estate development.

- (a) *Estate-type developments.* Large lots with wide frontage result in less drainage and traffic demands than those of residential developments consisting of small lots. Therefore, the facility requirements and public impact of the larger "estate-type" developments are less intensive. Such developments are desirable for the community to attract and encourage development and should not have to conform to the same standards which apply to the more intense developments. Residential "large lot estate" development shall conform to the provisions outlined below and are exempt from conflicting provisions specified elsewhere in the city subdivision ordinance.
- (b) *Definitions.* Large lot residential estate Development is defined as a subdivision in which the minimum lot size is 17,424 square feet in area or 0.4 of an acre, and the minimum street frontage of a lot is 100 feet with a minimum lot depth 140 feet. Exemption shall be made for the minimum street frontage for all corner lots and cul-de-sacs but the minimum lot size shall remain the same 17,424 square feet in area or 0.4 of an acre.
- (c) *Street standards.*
 - (1) Right-of-way. The street right-of-way shall be a minimum of 60 feet.
 - (2) Concrete streets shall be constructed as follows:
 - a. Width: 27 feet reinforced concrete curb and gutter. (see detail)
 - b. The concrete pavement shall be a minimum of six inches thick with a six inch line stabilized subgrade that extends one foot beyond the edge of the pavement. The concrete pavement shall be constructed using 3/8" deformed bars on 24" center to center both ways. (see detail)
- (d) *Roadside ditches.* Roadside ditches may be used for drainage if constructed as follows:
 - (1) Maximum side slopes: 3:1 (see detail)
 - (2) Maximum depth: five feet measured from the crown of the finished pavement.
 - (3) Open ditches shall be designed to carry runoff from a 25-year frequency storm.
 - (4) Mowing of city ditches—it shall be the responsibility of the property owners to provide maintenance (mowing) of all city ditches that are 4 feet and below in depth within the proposed subdivision. All maintenance except as otherwise provided herein will be the responsibility of the city.
- (e) *Water and sewer lines.* Water and sewer lines shall be between the ditch and property and the right-of-way shall be widened to accommodate them. When there is no street or road, there shall be an easement of a minimum of ten feet or wider as needed. The location of the easement shall be approved by the planning commission.

(Ord. No. 780)

his consent, or for the purpose of peeping through windows or other openings of buildings located on such premises.

(Code 1972, § 11-4; Ord. No. 78)

Sec. 44-6. Refusal to leave premises of another after request so to do.

It shall be unlawful for any person to remain on any premises not his own after he has been requested to leave such premises by the owner, occupant or person in lawful control of the premises.

(Code 1972, § 11-5)

Sec. 44-7. Weed control.

- (a) It shall be unlawful for any owner or occupant of any real property within the city to permit weeds to grow or remain on any such property in excess of 12 inches in height, when any such weeds are within 100 feet of any occupied building or dwelling within the city.
- (b) It shall be unlawful and constitute an offense and creation and maintenance of a public nuisance for any person firm or corporation who shall own or occupy any lot or premises to suffer or permit weeds, grass or uncultivated plants other than trees to grow to a greater height than 12 inches on that portion of right-of-way which abuts such lot or premises between the centerline of such right-of-way and the property line of such lot or premises. Except, however, rights-of-way meeting any of the following definitions shall not be the responsibility of the abutting owner or occupants.
 - (1) Ditches exceeding a depth of four feet as determined by the city manager or his designee;
 - (2) Rights-of-way which governmental entities other than the city have a contractual obligation to maintain;
 - (3) Major arterial streets as determined by the city manager or his designee;
 - (4) Unpaved dedicated street rights-of-way;
 - (5) Street medians;
 - (6) Property owner in fee by the city.
- (c) For the purposes of this section, the term "owner" shall mean any person who holds title to any land lying within the city and the term "occupant" shall mean any person being in possession of any such land. In any prosecution charging a violation of this section, proof that the person whose name is listed on the tax rolls of the city as being the owner of the lot or premises found to be in violation shall constitute in evidence a prima facie presumption that such person is the owner of such lot or premises; provided, however, that such presumption may be rebutted by the person charged with violating this section with evidence to the contrary; and provided further than the presumption established herein shall have the evidentiary consequences enumerated in Chapter 2 of the Texas Penal Code.
- (d) The term "weeds," as used in this section, shall mean all rank vegetable growth which exhale unpleasant and noxious odors or high vegetable growth that may conceal rodents, other animals or filthy deposits.
- (e) Whenever weeds have grown to a height of more than one foot, such condition shall be considered a nuisance, which means a condition dangerous to life or health.
- (f) Should any person who owns any lot or building within the city allow a nuisance to go unabated after notice to such person to do so, in writing, or by letter addressed to such

person at his post office address, and if personal service may not be had as aforesaid, or if the person's address be not known, the city may do or cause to be done, that which will abate such public nuisance, and may pay there for and charge the expenses incurred in doing such work or having such work done or improvements made, to the person who owns such lot or building. If such work is done or improvements made at the expense of the city, then such expenses shall be assessed on the real estate or lot upon which such expense was incurred.

- (g) The city council hereby finds and declares that the administrative expenses incurred from inspecting, locating the owner, issuing notice, re-inspecting, ordering work done and submission of billing, filing of lien, together with all necessary incidents of same, will require a charge of \$100.00 for each lot, tract or parcel of land, and such charge is hereby established and declared to be an expense of such work and improvement. Each act of violation and each day upon which any such violation shall continue or occur shall constitute a separate offense. This shall be in addition to any municipal court fees incurred which may carry a maximum fee of \$200.00 plus court fees.
- (h) The mayor or city clerk shall file a statement of expenses giving the amount of such expense, the date on which such work was done, and a description of the premises upon which such work was done or improvements made as incurred under subsection (g) with the county clerk of Galveston County, Texas. The city shall have a privileged lien on such lot or real estate upon which such work was done, or improvements made, to secure the expenditures so made, in accordance with article 4436, Texas Revised Civil Statutes, as amended, which lien shall be second only to tax liens or liens for street improvements, and such amount shall bear ten per cent (10%) interest per annum from the date the statement is filed. For any such expense and interest, as aforesaid, suit may be instituted and recovery and foreclosure of such lien may be had in the name of the city, and the statement of expenses so made, or a certified copy thereof, shall be prima facie proof of the amount expended for such work or improvements.
- (i) Defenses to prosecution. It shall be a defense to prosecution that the vegetation is any of the following:
 - (1) Agricultural crops, except grass and hay, unless subsection (2) stated below applies;
 - (2) Hay that is grown for the specific purpose of cultivation and is a part of a predominantly homogeneous plant population may be grown to any height provided it is maintained in compliance with section 44-7(b) and is located no closer than 20 feet to an adjacent property under different ownership and on which any building or improvement exists;
 - (3) Cultivated trees;
 - (4) Cultivated shrubs;
 - (5) Flowers or other decorative ornamental plants under cultivation; or
 - (6) Wildflowers, but only until such time as seeds have matured following the final blooming of the majority of the plants.
 - (7) Property designated as and/or required by an ordinance to be maintained in its natural state shall be exempt from the provisions of this section.
 - (8) It shall not be an offense under this section to permit or allow weeds, grass, brush or other vegetation to grow to a height greater than 12 inches if they are growing in an area designated as a natural conservation area, preserve or habitat by any federal or state law or agency and the removing or cutting of the vegetation within that area is prohibited by the federal or state law or agency.