

**ORDINANCE NO. O-2023-28**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF TYLER, TEXAS APPROVING INTERIM WATER UTILITY RATES TO BE CHARGED TO AN OUTSIDE CITY CUSTOMER DURING THE TERM OF THE WHOLESALE WATER CONTRACT BETWEEN THE CITY OF TYLER AND SOUTHERN UTILITIES COMPANY.**

**WHEREAS**, the City of Tyler, Texas (“Tyler”) is a home rule municipality that owns and operates a retail water utility that provides potable water service within the City’s corporate limits and extraterritorial jurisdiction; and

**WHEREAS**, John Soules Foods, Inc., (“JSF”) is a Texas Corporation that owns and operates a commercial food processing facility in Smith County, Texas, (the “Facility”) that is within Tyler’s certificated water service area as established in water Certificate of Convenience and Necessity No. 10772; and

**WHEREAS**, JSF has requested retail water utility service for the Facility from Tyler pursuant to a Utility Service Agreement with Tyler for such service; and

**WHEREAS**, Tyler is extending a water main to provide service to JSF once completed and connected to the Facility, but such main will not be operational for at least \_\_\_ months; and

**WHEREAS**, Tyler has negotiated a wholesale water contract with Southern Utilities Company (“Southern”) pursuant to which Tyler will purchase potable water at wholesale from Southern to provide retail service to JSF until Tyler’s main extension is completed and operational;

**WHEREAS**, the City Council desires to set a retail water rate to be charged to JSF by Tyler during the interim period when Tyler is purchasing water at wholesale from Southern to serve JSF.

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

**PART 1.** That the findings set forth in this Ordinance are hereby in all things approved.

**PART 2.** That the following retail water rates shall be collected from JSF for water service provided by Tyler beginning on the date that Tyler begins providing service:

Point of Delivery No. 1	Point of Delivery No. 2
<u>Monthly Charge</u> - \$58.46	<u>Monthly Charge</u> - \$1,169.25
<u>Gallonge Charge</u> (measured at each Point of Delivery)	
0 – 6,000 gallons -	\$2.00 per 1,000 gallons
6,001 – 12,000 gallons	• \$2.50 per 1,000 gallons
12,001—15,000,000 gallons	\$3.50 per 1,000 gallons
15,000,001 gallons and up	\$7.00 per 1,000 gallons

Water Tap and Meter Activation Fees (at time of connection to Tyler)

Points of Delivery No. 1 and 2

\$21,518.11

**PART 3.** These rates will be charged until such time that Tyler's water main extension to JSF is in operation, after which time JSF shall pay Tyler's standard retail water rate for industrial service provided outside of Tyler's city limits.

**Part 4.** This ordinance shall take effect immediately upon its adoption.

PASSED AND APPROVED this 12<sup>th</sup> the day of April, A. D., 2023.



DONALD P. WARREN, MAYOR  
OF THE CITY OF TYLER, TEXAS

ATTEST:

  
CASSANDRA BRAGER, CITY CLERK

APPROVED:

  
DEBORAH G. PULLUM, CITY ATTORNEY