

RESOLUTION NO. 07-07-10-A

**A RESOLUTION OF THE CITY OF BEE CAVE, TEXAS, IN
OPPOSITION TO PROPOSED LCRA WATER RATE
INCREASE.**

WHEREAS, the mission of the Lower Colorado River Authority (LCRA) is to provide reliable, low-cost utility and public services in partnership with their customers and communities and to use their leadership and environmental authority to ensure the protection and constructive use of the area's natural resource; and

WHEREAS, the City of Bee Cave sold its water system to LCRA in June 2000 with the understanding that LCRA would continue to provide water to Bee Cave residents at reasonable rates, and

WHEREAS, LCRA represented to the City of Bee Cave that a regional water system would be more cost effective than a water system operated solely by the City; and

WHEREAS, impact fees have been grossly deficient in the past thereby necessitating that Bee Cave citizens pay a disproportionate share of the costs to expand the West Travis County Regional Water System; and

WHEREAS, this resulted in a rate structure that overburdens customers with excessive levels of debt and an appearance of subsidization of the West Travis County Regional Water System by the citizens of Bee Cave; and

WHEREAS, LCRA received a rate increase of approximately 50% in 2003 and is requesting another 60% in 2007; and

WHEREAS, the new water rates will establish Bee Cave as one of the highest in the State of Texas resulting in an economic disadvantage for homeowners and the business in the Bee Cave community; and

WHEREAS, LCRA represented to the City of Bee Cave that LCRA as a governmental entity could operate its water system more efficiently and at a cost savings to the residents of Bee Cave; and

WHEREAS, the City of Bee Cave transferred its water service CCN to the LCRA in reliance upon these representations; and

WHEREAS, LCRA uses their excess capacity to sell wholesale water to water districts at significantly lower rates than available to Bee Cave residential customers; and

WHEREAS, Bee Cave finds the severe volume rate increases beginning at 20,000 gallons per month for our residents to be discriminatory and serves to subsidize outside sales to the detriment of our residents; and

WHEREAS, most city rates are based upon a monthly minimum of 5000 gallons at a statewide average rate of \$24.83 per month compared to LCRA's minimum of 1000 gallons at a rate of \$31.65 per month (\$54.40 for 5000 gallons); and

WHEREAS, the proposed LCRA rate structure runs counter to the Comprehensive Plan and long-standing policy of the City of Bee Cave to encourage larger residential lots and extensive use of green space in non-residential development to maintain and to help manage non-point source pollution which is encouraged by the LCRA.

NOW, THEREFORE, the City of Bee Cave by declaration of the members of the City Council, and on behalf of the citizens of Bee Cave, hereby expresses their opposition to the proposed LCRA rate increases.

The Mayor, or her designee(s), is authorized to present this Resolution to the LCRA Board of Directors at the earliest opportunity and to request that the LCRA Board revise the proposed residential water rates so that the cost of service is more fairly spread throughout the system.

PASSED AND APPROVED this 10th day of July 2007.

Caroline Murphy, Mayor
City of Bee Cave

ATTEST:

Sherry Mashburn, City Secretary
City of Bee Cave