ORDINANCE NO. 1218

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF GRAHAM, TEXAS ("CITY") AMENDING CHAPTER 25 - "WATER AND SEWERS", SECTION 25-13 - "WATER SERVICE CHARGES - GENERALLY", AND SECTION 25-16 - "SEWER SERVICE CHARGES", OF THE CODE OF ORDINANCES (AS AMENDED), TO PROVIDE, RESPECTIVELY, FOR: (A) AN INCREASE TO CHARGES FOR WATER SERVICE AND (B) AN INCREASE TO CHARGES FOR SEWER SERVICE; PROVIDING FOR CUMULATIVE PROVISIONS; PROVIDING A SAVINGS CLAUSE; PROVIDING A SEVERABILITY CLAUSE; PROVIDING A PENALTY CLAUSE; PROVIDING FOR PUBLICATION BY CAPTION; AND PROVIDING AN EFFECTIVE DATE OF OCTOBER 15, 2025.

WHEREAS, the City of Graham owns and operates a Water Supply System and a Wastewater (also known as "Sewer") Transmission and Treatment System (hereinafter the "Systems"); and

WHEREAS, the Systems are operated as municipal utilities by the City and are financially structured to capture full cost-recovery of all expenses related to the operation, maintenance, and recapitalization of said Systems; and

WHEREAS, a formal "rate study analysis" (hereinafter "analysis") was conducted during 2024, by a qualified consultant, at the behest of the City Council; and

WHEREAS, the analysis determined that charges for water and sewer service were not sufficient to meet the financial burden for full cost-recovery of operation, maintenance, and recapitalization of the Systems; and

WHEREAS, the City desires to set the water and sewer rates indicated in the analysis for Fiscal Year 2026-2027; and

WHEREAS, the City now desires to incur debt for rehabilitation of the Wastewater Treatment Plant, an integral component of the Wastewater Treatment System and further, establish a surcharge for collection of fees to service said debt; and

WHEREAS, the City is required to set fees and charges for the Systems by ordinance; and

WHEREAS, in the furtherance of setting water and sewer rates indicated in the analysis, the City desires to amend Chapter 25 "Water and Sewers" of the Code of Ordinances, as amended, in the following manner:

- Section 25-13 - "Water service charges—Generally" shall be amended to increase the "Base Charges for Water" per month by a factor of seven percent, and increase the "Volumetric Water Charges" per 1,000 gallons/per month, by a factor of seven percent; and

- Section 25-16 - "Sewer service charges" shall be amended to increase the "Class 1" and "Class 2" charges for sewer service, per month, by a factor of (a) three percent for the base charge, (b) three percent for the volumetric charge, and (c) institute a Capital Surcharge of seventeen dollars and twenty-five cents ($17.25) to offset the cost of debt service for rehabilitation of the City's lone Wastewater Treatment Plant; and

WHEREAS, the City finds it is in the public interest to amend the aforesaid Sections of the Code of Ordinances (as amended) to provide for sufficient revenue to capture full cost-recovery of all expenses related to the operation, maintenance, and recapitalization of the Systems;

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

SECTION 1 – FINDINGS OF FACT

That the facts and matters set forth herein are hereby found to be true and correct and further, that the recitals contained in the preamble are true and correct and form a material part of this Ordinance.

SECTION 2 – AMENDMENT

a. That Chapter 25 "Water and Sewers", Section 25-13-"Water service charges-generally" of the Code of Ordinances (as amended) shall be amended as follows:

i. Table "B" and Table "C" at subparagraph b(c)(2) shall be amended to reflect the following Base Meter Charges (per month):

Table B
Residential and Commercial Customers Inside the City Limits

Meter Size	Base Meter Charges (per month)
3/4 inch or 5/8 inch	$32.44
1 inch	$45.43
1 1/2 inch	$58.40
2 inch	$94.10
3 inch	$274.17
4 inch	$454.25
5 inch	$567.82
6 inch	$681.38
Larger than 6 inch, or for a water supply system	Negotiated Rate

Table C
Residential and Commercial Customers Outside the City Limits

Meter Size	Base Meter Charges (per month)
3/4 inch or 5/8 inch	$40.56
1 inch	$56.78
1 1/2 inch	$73.00
2 inch	$117.63
3 inch	$342.71
4 inch	$567.82
5 inch	$709.77
6 inch	$851.73
Larger than 6 inch, or for a water supply system	Negotiated Rate
Note	Base meter charges do not apply to Wholesale and Water Supply System Customers

ii. Table "D" and Table "E" at subparagraph b(c)(3) shall be amended to reflect the following volumetric charges (per 1,000 gallons used/per month):

Table D

Volumetric Charges for Residential and Commercial Customers Inside the City Limits, Wholesale Customers, Bulk Water Customers, and Water Supply System Customers

Water Volume or Type (US gallons)	Charges Per 1,000 gallons used/per month
1-4,000	$4.27
4001-10,000	$6.07
10,001 and greater	$8.61
Wholesale Water (no tiered volume rates)	$6.89
Water Dispensed at City Bulk Water Station	$6.89
Water Dispensed by Permitted Discharge from Fire Hydrant	$15.51
Water Supply Systems	Either Wholesale Rate or a Negotiated Rate, at the discretion of the City

Table E
Volumetric Charges for Customers Outside the City Limits

Water Volume or Type (US gallons)	Charges Per 1,000 gallons used/per month
1-4,000	$5.34
4001-10,000	$7.59
10,001 and greater	$10.76

(Ord. of 3-22-57, § 1; Ord. No. 503, § 1, 2-28-78; Ord. No. 568, § 1, 11-5-81; Ord. No. 902, § 1, 9-29-05; Ord. No. 904, § 1, 11-22-05; Ord. No. 950, § 1, 4-30-09; Ord. No. 1134, §§ 1, 2, 11-10-22 (preceding formerly referenced at Section 25-1) and (Ord. No. 287, §§ 1, 2, 6-8-61; Ord. No. 421, § 1, 3-8-73; Ord. 430, § 1, 5-26-77; Ord. No. 541, § 1, 2-14-80; Ord. No. 614, § 1, 10-18-84; Ord. No. 695, § 1, 10-12-89; Ord. No. 705, § 1, 10-1-90; Ord. No. 765, § 2, 10-5-95; Ord. No. 851, § 2, 9-19-02; Ord. No. 866, § 2, 9-18-03; Ord. No. 881, § 2, 11-5-04; Ord. No. 929, § 2, 9-20-07; Ord. No. 944, § 1, 9-26-08; Ord. No. 957, § 1, 10-15-09; Ord. No. 1010, § 1, 9-26-13; Ord. No. 1018, § 1, 5-22-14; Ord. No. 1030, § 1, 9-25-14; Ord. No. 1052, § 1, 9-8-16; Ord. No. 1060, 5-15-17; Ord. No. 1064, 9-21-17; Ord. No. 1085, 4-18-19; Ord. No. 1100, § 1, 8-6-20; Ord. No. 1114, § 2, 9-30-21; Ord. No. 1143, § 2, 2-16-23, § 2, Ord No. 1163, 01-04-2024, Ord No. 1181, 08-15-2024, § 2, Ord No. 1194, 08-07-2025, § 2, **Ord No. 1218, 06-25-2026, § 2)"**

b. That Chapter 25 "Water and Sewers", Section 25-16 "Sewer service charges" of the Code of Ordinances, as amended, shall be amended as follows:

i. That the paragraph entitled *"Class 1-Residential."* shall be amended to read as follows:

"(a) Charges for sewer services shall be applied to those persons or entities connected to the city water system who also have a sewer tap. The monthly rates to be charged for sewer service for classifications described in Section 25-12 shall be as follows:

(1) *Class 1 - Residential Charges*:

a. **Base Charge.** A charge of Thirty dollars and Ninety-five Cents ($30.95) per month for the first two thousand (2,000) gallons of water used shall be charged as a Base Charge for Sewer Services.

b. **Volumetric Charge.** A charge of two dollars and ninety-eight cents ($2.98) for each additional one thousand (1,000) gallons of water shall be applied as a Volumetric Charge with the volume calculated on water usage during the most recent months of January, February, and March.

c. **Capital Surcharge.** A charge of Seventeen Dollars and Twenty-five Cents ($17.25) per month shall be charged to defray the cost of debt service related to the rehabilitation of the City's lone wastewater treatment plant.

d. **Maximum Allowable Charge Set.** The maximum charge for Class 1 sewer service shall not exceed Fifty-six Dollars and Fifty-two Cents ($56.52) per month.

e. **New Residential Customer Rate Set.** New customers to the system who do not have a rate history shall be charged Fifty-two Dollars and Thirty-six Cents ($52.36) per month until a usage history is established."

ii. That the paragraph entitled *"Class 2-Commercial."* shall be amended to read as follows:

(2) *Class 2 - Commercial Charges* (the "Commercial" classification applies to ALL sewer system users, other than those classified as "Residential" (the "Commercial" classification includes apartment complexes):

a. **Base Charge.** A charge of Thirty Dollars and Ninety-five Cents ($30.95) per month for the first two thousand (2,000) gallons of water used shall be charged as a Base Charge for Sewer Services.

b. **Volumetric Charge.** A charge of Two Dollars and Ninety-Eight cents ($2.98) for each additional one thousand (1,000) gallons of water shall be applied as a Volumetric Charge with the volume calculated on water usage during the most recent months of January, February, and March.

c. **Capital Surcharge.** A charge of Seventeen Dollars and Twenty-five Cents ($17.25) per month shall be charged to each rate payer to defray the cost of debt service related to the rehabilitation of the City's lone wastewater treatment plant.

d. **No Maximum Allowable Charge Set.** There shall be no maximum allowable charge set for Class 2 - Commercial customers.

e. **New Commercial Customer Rate Set.** New customers to the system who do not have a rate history will be charged Fifty-two Dollars and Thirty-six Cents ($52.36) per month until a usage history is established."

(Ord. No. 262, §§ 2, 3, 6-26-58; Ord. No. 309, § 1, 9-12-63; Ord. No. 452, § 3, 2-20-75; Ord. No. 473, § 6, 5-27-76; Ord. No. 451, § 3, 2-14-80; Ord. No. 563, § 3, 5-7-81; Ord. No. 614, § 3, 10-18-84; Ord. No. 688, § 2, 8-17-89; Ord. No. 716, § 2, 10-3-91; Ord. No. 765, § 3, 10-5-95; Ord. No. 851, § 3, 9-19-02; Ord. No. 866, § 3, 9-18-03; Ord. No. 880, § 3, 10-21-04; Ord. No. 929, § 4, 9-20-07; Ord. No. 944, § 4, 9-26-08; Ord. No. 957, § 2, 10-15-09; Ord. No. 965, § 2, 9-30-10; Ord. No. 1114, § 2, 9-30-21 Ord No. 1181, 08-15-2024, § 2, , Ord No. 1194, 08-07-2025, § 2, **Ord No. 1218, 06-25-2026, § 2**)"

SECTION 3 - CUMULATIVE PROVISIONS

That this Ordinance shall be cumulative of all other Ordinances of the City of Graham and shall not repeal any of the provisions of such ordinances, except as specified herein, and except in those instances where provisions of such Ordinances are in direct conflict with the provisions of this ordinance.

SECTION 4 - SAVINGS CLAUSE

That all rights or remedies of the City of Graham, Texas, are expressly saved as to any and all violations of the City Charter, City Code, or any amendments thereto that have accrued at the time of the effective date of this Ordinance; and as to such accrued violations, and all pending litigation, both civil or criminal, same shall not be affected by this Ordinance but may be prosecuted until final disposition by the courts.

SECTION 5 - SEVERABILITY CLAUSE

That it is hereby declared to be the intention of the City Council that the sections, paragraphs, sentences, clauses and phrases of this Ordinance are severable and if any phrase, clause, sentence, paragraph or section of this Ordinance shall be declared void, ineffective or unconstitutional by the valid judgement or decree of any court of competent jurisdiction, such voidance, ineffectiveness or unconstitutionality shall not affect any of the remaining phrases, clauses, sentences, paragraphs or sections of this Ordinance, since the same would have been enacted by the Board of Aldermen without the incorporation herein

of any such void, ineffective or unconstitutional phrase, clause, sentence, paragraph or section.

SECTION 6 - PENALTY CLAUSE

That any person, firm, or corporation violating any of the terms and provisions of the ordinance shall be subject to the penalties proscribed in Section 16-4 of the Code of Ordinances (as amended), and may also be subject to additional fines and penalties as provided in Section 117 of the City Charter.

SECTION 6 - PUBLICATION BY CAPTION

That, upon adoption, the City Secretary of the City of Graham, Texas is hereby directed to publish the caption summarizing the purpose of this ordinance for two (2) days in the official newspaper of the City of Graham, Texas, as authorized by the Texas Local Government Code and the Texas Water Code.

SECTION 7 - EFFECTIVE DATE

That this Ordinance shall take effect on **October 15, 2026**, noting that a Public Hearing on the rate increases described herein shall be duly noticed and subsequently held on **June 9, 2026**, and that the City Council shall hold three readings of this Ordinance, and that after the third reading of this Ordinance, and a final vote of the City Council indicating a majority in favor of its passage, this Ordinance shall be deemed adopted.

FIRST READING DATE:	**MAY 14, 2026**
SECOND READING DATE:	**MAY 28, 2026**
THIRD READING DATE:	**JUNE 25, 2026**

READ, APPROVED, AND ADOPTED ON THIRD AND FINAL READING this 25th day of June, 2026.

R. Alex Heartfield, Mayor

ATTEST:

Marci Bueno, City Secretary/Finance Director