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News Release

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Water rates to rise incrementally over next five years

MURPHY (September 27, 2017) Water rates in Murphy are scheduled to undergo changes over the next few years to meet the ever-increasing costs of purchasing water from the supplier, as well as the costs related to storing it, distributing it and collecting it after consumer use.

Facing the inevitable prospect of dealing with these unavoidable increases, the City Council recently authorized a third-party water and wastewater rate study by NewGen Strategies & Solutions. The study took into account the many factors involved in water rates, including the North Texas Municipal Water District's forecasts which included regular hikes in the costs of purchasing water for distribution.

To minimize the impact of the expected increases, the rate study concluded that a strategy of splitting increases into smaller increments spread over a five-year period was preferable to a larger increase in a shorter time-frame. Council agreed with that assessment and approved the plan.

Residents will be subject to the new rates starting Oct. 1, meaning that the impact will be evident in utility bills arriving in November. For a three-quarter inch meter, the most common for residences, the monthly base rate will go from \$20 to \$22.43. Residences and businesses with meters at other sizes will also see similar increases.

Water use, called volumetric rates, will also increase. This tiered volumetric system is intended to reward customers who use less water with lower per gallon rates.

For those who use from 0 to 15,000 gallons, the 2018 per gallon rate will go from \$4.27 to \$4.79. For those who use 15,001 to 30,000 gallons, the per gallon rate goes from \$4.53 to \$5.08. Users of between 30,001 to 45,000 gallons, the rate moves from \$4.82 to \$5.40. Higher volumetric use rates will experience similar increases. Charges in all irrigation categories are also scheduled to increase in proportion to the other water charges.

Wastewater charges are also rising. For residents, the monthly base meter charge for wastewater will increase from the current \$18 to \$19.87. And, the volumetric wastewater rate for 1,000 gallons of residential accounts will go from the current \$3.44 to \$3.80.

"Council and staff have been working on keeping rates as low as possible," says Customer Service Manager Teresa Thompson. "The increases simply cannot be avoided or deferred. Since the Utility Fund is self-sustaining, the charges that are related to water and wastewater must be borne by the user community."

A self-sustaining fund, like the Utility Fund, is designed to charge only for those expenses related directly to the fund's purpose, and the money cannot be used for any other activity.

For a complete look at the results of the Water Rate Study, please visit the Water Rate Study Guide page at <http://www.murphytx.org/700/Water-Rate-Study-Guide>. In addition, the new fee schedules can be found in the FY18 Budget Book, Appendix C at <http://www.murphytx.org/150/City-Budget>.

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ABOUT MURPHY -- Murphy is a fast-growing community located in Collin County. The population is approximately 19,330, generally characterized as highly educated with a median household income above the state average. With more than 70 percent of the land developed, the community is dominated by single-family residences. City planners strive to preserve a country feel while exhibiting an aggressive economic development stance. Money Magazine has dubbed Murphy as the 27th Best Place to Live in America for small cities, and D Magazine placed Murphy as the fifth best suburb in the 2014 list, where it has consistently ranked in the top 10.