



City of Murphy
206 N. Murphy Rd.
Murphy, TX 75094
(972) 468- 4000
www.murphytx.org

News Release

FOR IMMEDIATE RELEASE

Media Contact: Celso Martinez 972-623-8836

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‘Take or Pay’ in water contract requires our attention

MURPHY (May 7, 2018) Imagine going to the grocery store on the first weekend of December, and attempting to purchase just a few items, since there are still plenty of leftovers from the large Thanksgiving feast you hosted the week before.

But, instead of allowing you to do so, the store manager says the store has instituted a new rule that requires you to purchase at least the same amount as your highest total. Preposterous, you say. You decide to shop somewhere else, but then realize that there is nowhere else to shop.

As absurd as this may sound, that principle is in play with the water-purchasing contracts of every city and town which utilizes the North Texas Municipal Water District.

A provision in the contracts, referred to as “Take or Pay,” requires municipalities to pay for, and presumably purchase, the same amount of water as its highest total, called a cap, on an annual basis. That provision keeps cities and towns paying for the equivalent of the highest usage, until that usage is surpassed. Then, the new maximum supersedes the old one. Unfortunately, that level is never decreased.

“While we can’t lower the cap,” says City Manager Mike Castro, PhD, “we can do things to ensure that it does not rise any further. Voluntarily conserving water, fixing water leaks, using water wisely, and adhering to our water conservation restrictions all help us keep our maximum from increasing. Remember, once it rises, we are stuck with a higher bill.”

Since the water utility in Murphy, like all others in the area, is self-sustaining, water costs are shared by every customer.

Lowering or maintaining the amount of water used is one critical way to keep costs from rising so rapidly. Even though the cost of water continues to escalate by as much as 10 percent a year, residents, businesses, and organizations can keep those costs in check by closely watching how much is used every month.

As we approach the summer months, it’s important to note that a household’s highest water use is outdoor watering, and while watering our lawns is important, using the manual on and off feature of automatic sprinkler systems is one way of ensuring that watering happens only when necessary and in keeping with any watering restrictions in place. Maintaining that system in top shape is also necessary to avoid leaks, broken or misdirected sprinkler heads, and other water-wasting issues.

The surprised shopper in our scenario may decide to level out her purchases throughout the year, stretching the purchase of non-perishables for special occasions month-to-month, thus avoiding the large spike at Thanksgiving.

Similarly, residents can adhere to a watering schedule that encourages deep root growth for grasses and shrubs, spreading mulch where appropriate, and keeping in mind that lawns do well with no more than one inch of water per week.

“We sometimes forget about our use until the bill arrives,” said Castro. “This year, we’re asking that water use and conservation be constantly top of mind, for everyone’s sake.”

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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.