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# News Release

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## Council approves rate structure to deal with increases *Water supplier hikes cost by double digits*

MURPHY (October 13, 2022) The cost of water purchased from the North Texas Municipal Water District (NTMWD), from which the City of Murphy provides water for residential and business customers, is rising significantly, including a 20 percent increase starting this month. In addition, the cost of wastewater service is also going up by an average of 10 percent.

In an effort to alleviate the impact of the increases, the Murphy City Council has adopted new water and wastewater rates that split the NTMWD increases over the next several years, keeping increases capped at 7.48 percent for water, and 0.66 percent for wastewater for the current year, and projecting a similar level over the next four years. Working with a nationally recognized third party consultant on utility costs, the City Council conducts a rate study every year. The study recommends moderate increases over the next five years, but these are not anticipated to be enough to absorb future rate hikes.

While the Council understands the impact of these increases, rate increases over the next five years may indeed surpass the approved levels.

“Leveling the increases over a longer period of time allows us to keep rates from ballooning,” says Customer Service Manager Teresa Thompson. “These increases are completely out of our control, of course, but what we can do is implement efforts that result in a rate structure that can lessen the impact of these spikes.”

The increased costs coincide with the fiscal year, which began Oct. 1 and will be reflected in water bills arriving in November.

“Our water system, like virtually all municipal systems, is self-funded, meaning that, along with a reserve fund that we are mandated to retain, all of the money collected from water and wastewater charges are funneled back into the operation and maintenance of the system, including the purchasing of water,” she added. Water and wastewater fees are separate from property taxes and are not comingled.

When the supplier raises the cost of water or wastewater services, cities like Murphy must find ways to deal with the increases. Some cities simply pass along the costs. The Murphy City Council, however, has opted to find creative and innovative ways to minimize the impact.

Meanwhile, the cost of solid waste collection has increased as well. The \$0.40 per month increase for residential service is the result of the annual Consumer Price Index adjustment in the contract between the City of Murphy and Republic Services. Commercial customer rates will increase 3.27 percent.

“Rising rates for these services are becoming common, but we are committed to working with customers, collectively and individually, to manage the higher costs as best we can,” said Thompson.

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ABOUT MURPHY -- Murphy is a fast-growing community located in Collin County. The population is approximately 21,200, generally characterized as highly educated with a median household income well above the state average. With more than 80 percent of the land developed, the community is dominated by single-family residences. City planners strive to preserve a family-oriented community with a strong sense of place. 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 its annual list, where it has consistently ranked in the top 10.