



## NEWS RELEASE

### CITY OF MELISSA

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FOR IMMEDIATE RELEASE

## City of Melissa Adopts New Water and Wastewater Rates

### *Average Residential Customers to See Reduction on their Monthly Bill*

MELISSA (October 16, 2017) To meet the rising cost of water and wastewater treatment, the City of Melissa has adopted new water and wastewater rates as part of the FY 2017-18 budget. **These new rates are effective October 1<sup>st</sup> and customers will first see these changes on their November bill.**

The newly adopted rate structure passes on wholesale increases from North Texas Municipal Water District (NTMWD) but also **reduces the standard minimum charge for water from \$31.53 to \$24.00** (based on standard 3/4" water meter), benefiting 98% of residential customers. This strategic approach results in **a savings of \$4.00/month to the average residential customer** (based on Citywide average of 7,400 gallons).

NTMWD estimates that the population in its service area (already at 1.6 million) will double in the next 50 years, and adequate funding through rates is required to cover increasing fixed costs and repay bonds for capital projects. To meet this demand for safe, reliable drinking water, wholesale rates paid by member and customer cities are projected to continue to increase by 10% or more annually for the foreseeable future.

"The City Council has committed to conducting an annual Water Rate study to evaluate all options to ensure utility rates cover forecasted operational costs, including the projected increases in wholesale rates for water purchases and wastewater treatment in addition to planned capital investments," explained Melissa City Manager Jason Little. "This year's study conducted over the summer determined that recent population growth has placed the City in a position to restructure rates without jeopardizing utility systems."

This determination allowed for staff to develop a rate structure to meet the City Council's desired objective to provide relief to ratepayers while protecting the integrity of the Water Fund. To meet this goal, the City adjusted the volumetric tiers for water consumption by applying the wholesale increases from NTMWD primarily to the higher volumetric tiers to further incentivize conservation.

"This approach allowed us to take the first step towards the minimum bill truly being a minimum for our average resident," Melissa Mayor Reed Greer explained. "Council directed staff to look at options that would bring the average minimum bill more in line with area cities, and we were pleased that recent growth has allowed us to help keep more money in the pockets of our residents."

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The Texas Water Development Board estimates average monthly usage for Texas water utilities ranges from 7,380 to 8,514 gallons with the City of Melissa's average residential consumption at 7,400 gallons/month. Additionally, the City's rate study showed that on average, nearly 50% of residential customers were billed at the Tier 1 rate for their monthly water consumption charge. This along with the statewide data further suggests that **volumes in the higher tiers appear to be a choice.**

"The City acknowledges that **higher users will pay more in volumetric charges** because of these changes," Greer stated, "by reducing the minimum charge for water, the City can more equitably pass on anticipated future wholesale water purchase rate increases to those who continue to choose to consume higher volumes." Mayor Greer also noted at the same time, the City has invested in tools to empower their customers to take control of their water usage.

"Customers who chose to conserve, can maximize potential savings by signing up for *WaterMyYard* and following the weekly watering notifications which are based on truly local weather data," stated Erin Mynatt, Director of Communications and Technology. "When you couple this information with the data that is available through the AMI system and the U2You portal, our customers can take control of the greatest impact on their water usage, outdoor watering, thus helping to avoid surprises in their bill." Mynatt concluded.

Additionally, City Manager Jason Little emphasized the City of Melissa's goal is that these tools working together along with ongoing communication efforts will continue to help customers become "true consumers of water" when looking to the future needs of the City and region. **To learn more about the tools mentioned above, please visit: <http://tinyurl.com/MelissaU2You>.**

Other changes to the rates and fees include a 5% increase in the sewer volumetric rate for residential customers, the addition of tiered volumetric rates for non-residential sewer customers, establishing a multi-family rate structure; and authorization for the City to recoup the direct costs for meter and related equipment for new subdivisions. **To review the new rates, please visit: <http://tinyurl.com/MelissaW-WW-Rates>.**

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**ABOUT THE CITY OF MELISSA** – The City of Melissa is a fast-growing progressive suburb with a small-town feel, located 35 miles north of downtown Dallas in the dynamic growth area of northeast Collin County. Melissa sits on 21 square miles, is home to over 10,000 people, and is easily accessible by way of three intersecting highways. Melissa has ample inventory of the highly-sought-after undeveloped frontage available on US 75 and SH 121, primed to serve a retail trade area of over 40,000 people. A home-rule municipality, governed by a council-manager form of government, Melissa's vision is to, "Leverage our community spirit, our passion for service and our beauty to grow a unique community that welcomes your future with us."