

# City of Whitewright

## Approved Water Rate Change

Effective April 2, 2019

	<u>Previous Rates</u>	<u>Approved Rates</u>
<b>Residential (Inside City Limits)</b>		
First 1,000 gallons (Minimum Bill)	16.94	28.94
Per 1,000 gallons up to 3,500 gallons	3.55	3.75
Per 1,000 gallons up to 10,000 gallons	5.80	6.13
Per 1,000 gallons up to 50,000 gallons	6.11	6.46
Per 1,000 gallons up to 100,000 gallons	6.83	7.22
Per 1,000 gallons over 100,000 gallons	7.11	7.52
<b>Commercial</b>		
First 1,000 gallons (Minimum Bill)	21.39	33.39
Per 1,000 gallons up to 3,500 gallons	3.66	3.86
Per 1,000 gallons up to 10,000 gallons	5.97	6.30
Per 1,000 gallons up to 50,000 gallons	6.32	6.67
Per 1,000 gallons up to 100,000 gallons	7.03	7.42
Per 1,000 gallons over 100,000 gallons	7.32	7.73
<b>Outside City Limits</b>		
First 1,000 gallons (Minimum Bill)	24.04	36.04
Per 1,000 gallons up to 3,500 gallons	4.10	4.30
Per 1,000 gallons up to 10,000 gallons	6.35	6.65
Per 1,000 gallons up to 50,000 gallons	6.69	7.01
Per 1,000 gallons up to 100,000 gallons	7.38	7.73
Per 1,000 gallons over 100,000 gallons	7.64	8.00

ARRAY OF COSTS FOR WATER - 2018 SURVEY

<u>City or Entity</u>	<u>5,000 Gallons</u>	<u>City or Entity</u>	<u>10,000 Gallons</u>
Monarch Utilities I, LP	\$91.84	Monarch Utilities I, LP	\$137.84
Red River Authority of TX	\$91.50	Red River Authority of TX	\$129.75
Lake Kiowa SUD	\$69.30	Princeton	\$121.60
Princeton	\$67.51	Oak Ridge SG WSC	\$106.60
Oak Ridge SG WSC	\$65.10	Ladonia	\$105.78
Southmayd	\$62.39	Howe	\$99.60
Ladonia	\$60.28	Southmayd	\$90.83
Howe	\$57.85	Tom Bean	\$90.00
Van Alstyne	\$56.60	Pottsboro	\$83.99
Tom Bean	\$56.32	Lake Kiowa SUD	\$80.85
Starr WSC	\$53.75	Melissa	\$78.82
Pottsboro	\$53.09	Starr WSC	\$78.75
Melissa	\$49.67	Van Alstyne	\$76.60
North Collin WSC	\$49.50	Marilee SUD	\$75.90
NWGCWCID#1	\$48.00	S Gray WSC	\$75.00
S Gray WSC	\$47.50	North Collin WSC	\$74.00
Argyle WSC	\$47.43	Anna	\$73.62
Marilee SUD	\$47.40	NWGCWCID#1	\$70.50
Bailey	\$47.00	Savoy	\$70.25
Bells	\$46.60	Sadler	\$68.00
Tioga	\$45.40	Pink Hill	\$68.00
Valley View	\$44.50	Bells	\$67.35
Bolivar	\$44.50	Sw Fannin	\$66.00
Mustang SUD	\$44.05	Argyle WSC	\$65.38
Anna	\$43.32	Tioga	\$64.65
Oak Ridge	\$42.50	Mustang SUD	\$64.25
Knollwood	\$42.40	Whitewright	\$63.52
Ector	\$42.00	Valley View	\$63.25
Trenton	\$41.91	Bolivar	\$63.25
Pilot Point	\$40.83	Callisburg	\$62.50
Pink Hill	\$40.50	Pilot Point	\$62.33
Savoy	\$38.85	Oak Ridge	\$61.25
Sw Fannin	\$38.50	Knollwood	\$59.85
Honey Grove	\$37.90	Gunter	\$58.79
Callisburg	\$37.50	Trenton	\$58.31
Gunter	\$37.48	Two Way SUD	\$58.30
Gainesville	\$37.20	Whitesboro	\$58.07
Muenster	\$37.00	Gainesville	\$57.80
Sadler	\$36.75	Leonard	\$57.60
Luella SUD	\$35.80	Bailey	\$57.00
Whitesboro	\$35.34	Honey Grove	\$56.90
Leonard	\$34.70	Dorchester	\$56.25
Whitewright	\$34.52	Dodd City	\$56.00
Sherman	\$34.25	Prosper	\$55.55
Prosper	\$34.15	Collinsville	\$55.20

Two Way SUD	\$34.05	Ector	\$54.50
Dorchester	\$33.75	Luella SUD	\$53.80
Dodd City	\$33.50	Muenster	\$53.50
Collinsville	\$32.85	Sherman	\$50.60
Denison	\$32.72	Krum	\$48.72
Windom	\$31.75	Lindsay	\$47.85
Kentuckytown WSC	\$29.00	Denison	\$46.12
Lindsay	\$28.57	Kentuckytown WSC	\$44.00
Krum	\$28.52	Windom	\$43.00
Mtn Spring WSC	\$23.09	Mtn Spring WSC	\$32.59

Prepared by: Greater Texoma Utility Authority  
5100 Airport Drive  
Denison TX 75020  
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ARRAY OF COSTS FOR WATER - AREA WATER PROVIDERS

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## **\*THIS INFORMATION PROVIDED BY KSA ENGINEERING**

Currently Whitewright has approximately 800 water customers:

Per TCEQ regs you are required to have .6 gpm per connection, however with Well #5 out of service the City is **currently out of compliance**. Rehab of the existing well is costly and has a relatively low chance of being successful.

There are two ground storage tanks at Well #4 (100k gallons each), one is out of service and the other is beginning to leak pretty severely, the two tanks are bolted galvanized steel tanks that are difficult to repair due to the thin gauge of metal used in that type of tank construction. If the second tank fails both wells #4 and #6 will be unable to be used to provide the City with potable water. Currently well #5 is out of service.

There are two ground storage tanks at the site of wells #1 and #2 (50K gallons each), one of the tanks is out of service and the other is also beginning to leak badly. One of the wells is currently not usable, and if the remaining tank fails the other well will be unusable as well. **(We would like to put a new tank here as well, but budget will not allow it)**

If the project is not done there is a pretty good chance the City could end up with only 2 of its wells being usable by the system.

The Well portion of the project will ensure that the City maintains compliance with the min amount of water supply capacity mandated by the TCEQ, the pump station project will ensure that the City has adequate water in storage and has the ability to utilize the new well, and continue using well #4 and #6.

Once the pump station is complete the City will have the ability to remove the remaining tanks from service and evaluate them for potential rehabilitation.

All the facilities work is necessary for the City to maintain compliance, and is the minimum of the work necessary to maintain an adequate supply of water for the citizens.

The waterline portion of the project has been reduced to the minimum necessary as well, and will include some line size increases to eliminate some of the worst low pressure/fire flow areas in the City

## **\*INFORMATION PROVIDED BY GREATER TEXOMA UTILITY AUTHORITY**

It is obvious that the City has some infrastructure improvements in the water system that are absolutely needed. Many of these improvements would likely be required by TCEQ after a violation is issued if the City does not take steps to get their system up to standards. There have been several meetings which involved the City Mayor and Staff, Engineer and GTUA staff in an effort to understand the impact any potential improvements would have on the City of Whitewright rate payers. After several meetings and phone calls, the project has been "whittled down" to what we feel is absolutely necessary for the City to meet TCEQ requirements and maintain a reliable water system.

The City has applied for Texas Water Development Board financing in the amount of \$3.755 million and received very positive news as we are being offered favorable terms. Of that dollar amount, the City is receiving 3 different forms of subsidies. \$1,088,106 is being offered as loan forgiveness that the City will not have to pay back, \$1,025,000 is being offered at 0% interest, and the remaining funds is being offered with a 1.65% interest rate subsidy. This type of subsidy shows that the City has sought out the best possible funding source in order to make critical infrastructure improvements while trying to minimize the impact to the residents and rate payers of the City of Whitewright. Assuming the council agrees that the infrastructure improvements are critical and necessary, the City would be wise to access this money while it is available as there is no guarantee it will be available in the future.

### **Optional add-on**

Among other bond issues, GTUA has 57 active bond issues with the Texas Water Development Board and has never received subsidies of this magnitude.

### Uses of Funds

The funds from the upcoming bond issue are legally required to be used solely on the water system for the City of Whitewright. These bonds are being issued through the Texas Water Development Board's ("TWDB") Drinking Water State Revolving Fund ("DWSRF"). The DWSRF funds are restricted (at the Federal and State level) to only be utilized for water system projects. Every dollar that is spent out of these funds is required to be approved by the state (TWDB).

When a city issues a bond, the issuer expects to pay back the borrowed money at some point in the future. The issuer guarantees repayment of the money in one of two basic ways:

- **Taxation:** such as property taxes, sales taxes, etc.
- **Revenues:** by collecting revenues from the project (water and/or sewer system) financed with the bonds.

### Explanation of Bonds

- **General Obligation Bonds** are municipal bonds that are backed by the taxing power and credit of the City. These bonds are issued and are generally funded through taxation. Texas state law generally requires our local governments to seek voters' approval before issuing debt that will be repaid from tax revenues.
- **Contract Revenue Bonds** are municipal bonds that finance income-producing projects and are backed/paid for by a specified revenue source (water and/or sewer rates, not taxes). Contract revenue bonds issued for water and/or sewer systems do not require voter approval.