

NEWS RELEASE

FOR IMMEDIATE RELEASE

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September 22, 2017

Water, wastewater related rates to increase on Oct. 1 *Increases to appear in November utility bills*

PROSPER (September 22, 2017) Because of the rising cost of water purchased from the supplier, coupled with the increased costs associated with storing and distributing water to residences and businesses, the rates for these services will be readjusted over the next three years.

Increased costs for managing storm water collection will affect those monthly rates as well.

Water purchased by the Town from the North Texas Municipal Water District is increasing in cost annually, and those increases are necessarily passed along to consumers. This is the case because the Utility Fund, a separate mechanism for financing water, wastewater and solid waste, is self-sustaining. The Utility Fund is kept solvent by ensuring that charges related to utility service for all customers is equal to the cost of those services. As those costs rise, so must the charges.

While the Council and staff have been diligent in attempting to keep those costs as low as possible, the cost of purchasing water and the costs associated with distributing that water to homes and businesses continue to rise. As a result of a comprehensive study on water and wastewater rates, the Town Council has approved a rate adjustment, the first since 2012.

For customers with a one-inch meter, which is the majority of customers, the minimum monthly service charge rises from the 2016 rate of \$18.54 to \$19.85 starting on Oct. 1, 2017; \$21.25 starting on Oct. 1, 2018; and \$23.20 starting on Oct. 1, 2019. Customers with larger-sized meters will experience similar increases.

As for water utilization charges, called volumetric charges, those rates will also rise. As an average, the rate for utilization of 0-10,000 gallons rises from the 2016 level of \$3.74 to \$4 starting Oct. 1, 2017; \$4.28 starting on Oct. 1, 2018; and \$4.67 starting on Oct. 1, 2019. Using the same starting dates, the rates for 10,001 to 40,000 gallons go from the 2016 cost of \$5.60 to \$5.99, \$6.41; and \$6.99. Higher volumetric rates show similar increases.

Monthly service charges for wastewater will also increase over the next three years. These rates will rise from the 2016 rate of \$22.63 to \$25.35 starting on Oct. 1, 2017; \$28.40 starting on Oct. 1, 2018; and \$31.85 starting on Oct. 1, 2019. The cost per 1,000 gallons of wastewater increases from the 2016 rate of \$3.52 to \$4.15; \$4.90; and \$5.78 over the next three years.

Rates for commercial customers are also seeing an increase over the next three years. The new rates will be reflected in utility bills arriving in homes and businesses on or around Nov. 20.

Similarly, maintenance and repair of the Town's storm water and rain runoff facilities, mandated by state and federal law and funded by the Drainage System Utility Fee, will also reflect an increase.

For single family residential (SFR) properties of up to 10,000 sq. ft., the monthly fee will increase from \$1.85 to \$3. SFR properties over 10,000 sq. ft. will see rates rise from \$4 to \$5.15. Commercial rates will rise from \$0.057 per

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100 sq. ft. of impervious area to \$0.10 per 100 sq. ft. of impervious area.

Eligible seniors may receive a credit of the Drainage System Utility Fee by applying for the Senior Affordability Discount at the Utility Billing Office, 121 W. Broadway. Applications are also available on the Utility Billing page at www.prospertx.gov.

Periodic rate adjustments are unavoidable, as the Utility Fund must operate “in the black,” that is, without carrying debt or deferring debt to later years. This is the case with all self-sustaining funds, of which virtually every Utility Fund-type mechanism is based.

Water conservation and prudent use of water resources have proven to save both water and money. Water conservation advice is available at <http://www.prospertx.gov/government/departments/water-conservation/>.

To review the new rates, please visit www.prospertx.gov/government/departments/utility-billing/.

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ABOUT THE TOWN OF PROSPER – The Town of Prosper is a fast-growing suburb with small town charm, located 30 miles north of Dallas at the crossroads of U.S. 380, Preston Road and the Dallas North Tollway in Collin and Denton Counties. Prosper sits on 27 square miles and is home to more than 20,000 people. A home-rule municipality, governed by a council-manager form of government, the town has full-time fire and police departments, including its own dispatch service. As the Town grows to its projected build-out population of 70,000 residents, Prosper’s vision is to remain a “Place Where Everyone Matters.”