



Control Number: 48819



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DOCKET NO. 48819

APPLICATION OF NORTHTOWN

ACRES WATER SUPPLY FOR

AUTHORITY TO CHANGE RATES

NORTHTOWN ACRES WATER SUPPLY

18770 FM 709 N

DAWSON, TX. 76639

2019 SEP 19 AM 9:33

**COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION TO NORTHTOWN ACRES WATER SUPPLY
(NORTHTOWN ACRES WS) QUESTION NO. STAFF 2-1**

Staff 2-1. Provide any recent notice of rate increase Northtown received from the City of Corsicana.

I have provided the letter we received from the City of Corsicana, in July.

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July 10, 2019

Dear Customers:

It is the City's goal to provide excellent water service to all customers. This is achieved through the City's Utility Department and funded by the Utility Fund in the budget. The Utility Fund is an enterprise fund meaning it should support its expenses with its own revenue. Water rates are not only set by the amount of water used, but are necessary to support the operations, debt, and infrastructure.

The cost to produce, deliver and treat water, including maintaining the infrastructure, is on the rise. This year has been especially challenging due to an aging infrastructure, major transmission line failures and the continuing rise in cost to produce water. Over the past three (3) years the Utility Fund has incurred a deficit in revenue. Therefore, discussion of the 2020 Utility Fund will include a rate increase necessary to offset increases in operation, maintenance costs, and replacing infrastructure. The rate increase will help fund critical repairs, bring revenues back in line with the cost of providing services and restore financial stability for the fund. The rate will increase by .10 cents per thousand gallons. The new tiered rates will be:

\$3.90 per thousand for 10001 to 10,000
\$4.05 per thousand for 10,001 to 25,000
\$4.15 per thousand for 25,001 and over

The proposed rate will still be below the average of cities in the area. New rates will be effective November 1, 2019. Please consider this notice as required by your current contract.

City Council and City staff realize that any increase in cost to the customers can be stressful and the City is committed to managing the expense in the most efficient and sustainable way while maintaining the City's commitment to provide excellent water service to all customers.

Sincerely,

A handwritten signature in black ink that reads "Kyle Pritchett".

Kyle Pritchett
Environmental Services Director