



Citizen Engagement

August 31, 2022

Did You Know?

Re: Growth and the Utility Rates

Utility Rates are always a point of discussion. Princeton along with 12 other member cities and many customer cities receive water from the North Texas Municipal Water District. The District has secured the water rights and we all receive our water from Lake Lavon, Lake Chapman, Lake Tawakoni, Lake Texoma, and now under final construction, Bois "D" Arc Lake. They serve over 80 Customers in 10 Counties including about 31 special districts. Princeton was one of the original founders of the District.

The Water District provides clean treated drinking water to Princeton for the same rate as all the other member cities. The difference is in the end-user rate between the cities. This is a result of the different ages of the individual systems, and the direct costs to distribute the water through the distribution system and collect the wastewater and deliver it back for treatment. Princeton is a forward-looking City, continually replacing old water lines, sewer lines, manholes, and older infrastructure. Taking care of problems that have the potential to impact the system in the future, early, goes a long way in avoiding future rate increases.

Many times Princeton is compared to other cities that are in different stages of growth. Princeton is really a relatively young city, when compared to Dallas, Richardson, Plano, and even McKinney. Young, meaning the City only in the past decade started to have to build more infrastructure to keep up with demand. This means a lot of first-time, one-time costs. The elevated storage tank on Monte Carlo is just eleven years old and was only completed in 2011. Currently the ground storage is under construction on Forest Grove, and the south elevated storage tank is also under construction. As the City ages, and the infrastructure gets paid off, the financial burden of paying for the new water towers, pump stations, and supply and collection piping systems, become less of an impact to the system. This is why the larger cities that have been providing water and sewer for many years are in a better position to bring the cost down for the end user. Also, in some cases they can lessen the impact of the rate increases when the cost of water and the treatment of wastewater rises.

Princeton is a fast growing City. New business and commercial developments are choosing to make Princeton their home too. Although they generally use less water, the commercial customers do pay a higher rate for water and wastewater service, so in addition to the system maturing and getting paid off, the commercial growth will also contribute when it comes to reducing rate increases simply because they impact the system less than a general household, and pay more for the commodity. The City is also conducting a Rate Analysis on the possibility of winter averaging that may bring some relief in the future. In the third quarter of 2018, the City introduced the *My Water Advisor App* that allows you to set personal goals and alerts to your water consumption. You can sign up on the City website under my water advisor.

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