

WOLFE CITY UTILITY SERVICES FAQ's

Beginning in January 2020 your water bill will change and the rates will reflect an adjustment.

1. Why are you adjusting rates?

The City's water system is under TCEQ enforcement from 2017 because a secondary Well or water source is not available. The City's water distribution system is aged, leading to frequent pipe breaks and leaks throughout the City. The City's sewer collection system is in need of substantial repairs. The City has secured \$9.68 million in zero and low interest funding from the Texas Water Development Board (TWDB) for the purpose of improving our water and wastewater systems.

2. Is the rate adjustment required?

The rate adjustment was required as part of our funding agreement with TWDB to assure them that we would be making a proven effort to repay the loans and to continue to provide adequate funds to operate the water/sewer systems. Prior to this rate adjustment, the City's last adjustment occurred in 2015.

3. What improvements to the water and sewer system are being funded by TWDB?

DWSRF funding will include construction of a new Well and related facilities. The new well is required per TCEQ for a secondary water source. We are currently under enforcement (violation of the regulations) from TCEQ and are required to install a secondary water source. If we do not comply with their regulations, we could face huge fines from TCEQ. DWSRF funding will also include replacement of aged and/or failing distribution lines throughout the City.

CWSRF funding will be used for improving our wastewater system throughout Wolfe City and upgrading our current lift stations.

4. Are the improvements necessary?

Yes. The new Well is necessary due to the enforcement from TCEQ that has been issued to Wolfe City in April 2017. If this project is not completed, our City will be hit with fines from TCEQ. Further stress is being placed on our existing Well due to leaks and line breaks in the distribution system. The failing distribution lines must be replaced to minimize water loss, reduce operational cost and meet the water conservation requirements of the loan program.

The current wastewater system is very old and many lines need to be replaced. The system is running at capacity due to inflows into the system, primarily during storm events. This upgrade to the lines and manholes will improve wastewater flow and help to avoid future leaks and overflows in our system.

5. Why can't the City budget for the improvements using our current rates?

Our current rates will not generate enough funding to pay for these projects. Wolfe City operates yearly on a very small budget with very little left over at the end of the fiscal years. We must honor all of our debt obligations, present & past.

6. How do the new rates compare to other nearby cities?

Our base rate for residential inside city limits & outside city limits will have a \$7.00 adjustment. Commercial base rate will not change. The cost per 1000 gallons will be tiered from \$5.50 to \$11.00 according to your gallons used. Cost per gallons used vary according to the type of customer your account is based on...residential inside city limits, residential outside city limits and commercial rates.

Our current rates are one of the lowest in our area.

If you would like to see a comparison of the neighboring water system rates, stop by City Hall for a copy of these rates.

7. Will water rates continue to adjustment every year?

Your rates will have alternating yearly adjustments to water and sewer rates that will continue for several years in order to meet the city's debt obligation.

8. Why are the rates tiered?

The tiered rates are standard best practice and required by the loan program as a method of promoting water conservation. For high usage, the cost per gallon increases.

9. Why are we not using the lakes for our water supply?

The water at the lakes has a high turbidity level which is not conducive with using for drinking water. In other words....it has too much particulate matter(dirt) to be good for processing. When there is too much particulate matter in a body of water, it would take a large amount of chemicals and high operational cost to get the water up to TCEQ standards and make it a consumable product.

10. Texas Water Development Board (TWDB) funding facts

The TWDB offers funding for DWSRF (Drinking Water State Revolving Fund Program) for water systems and CWSRF (Clean Water State Revolving Fund Program) for sewer/wastewater system improvements every other year. Wolfe City applied for funding for these projects back in 2016 and our application was denied. We had to wait until 2018 to be eligible to apply for funding again.

Projects were financed through the Texas Water Development Board (TWDB) who offers favorable financing to entities throughout the State at below market interest rates along with grant funding. In total, the City received:

- \$1,388,103 in grant funding
- \$5,100,000 in 0% loan funding
- \$3,195,000 in subsidized loan funding (1.5% below market interest rates)

It is estimated the City **saved over \$7.435 million** in principal and interest by financing through TWDB.

Application for our current funding was made in October 2018 and the TWDB funding commitment was received on May 9, 2019

Our CWSRF (Clean Water State Revolving Fund Program, wastewater) loan closed on 9/17/19.

\$400,000.00 loan forgiveness (grant funds)

\$ 2,035,000.00 0% interest

\$2,325,000.00 1.01% interest

(1.65% subsidy below market interest rates)

Our DWSRF (Drinking Water State Revolving Fund Program, water) loan closed on 10/3/19.

\$988,103.00 - loan forgiveness (grant funds)

\$3,065,000.00 - 0% interest

\$870,000.00 - 1.34% interest

(1.35% below market interest rates)

If you have any questions, please feel free to stop by City Hall or call 903-496-2251

For a copy of the FAQ page, you can stop by City Hall and request a copy

or visit our website @ www.wolfecitytx.org

City of Wolfe City