

North Texas cities unite against swelling water costs, ask for review

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The mayors of four North Texas cities — Garland, Mesquite, Plano and Richardson — have banded together to ask the **Public Utility Commission** to conduct a review of their water rates with the North Texas Municipal Water District.

The cities decided to band together to ask for a review of the rates set under a six-decade old water supply contract, which the mayors say is discriminatory.

In all, Garland, Mesquite, Plano and Richardson officials say their cities have paid a total of \$178 million for water the municipalities did not use.

"We are losing tens of millions of dollars at the expense of our taxpayers because the North Texas Municipal Water District's current rate methodology is outdated and does not incentivize water conservation," said Plano City Manager **Bruce Glasscock**, in a statement.

The member cities are paying through a system that is based on the their greatest single year of use instead of what is actually consumed by residents and businesses.

For the four cities, the greatest use took place from 2001-2006 at a time when water conservation strategies were not enforced.

The North Texas Municipal Water District has 13 member cities with about 34 customer cities, which have individual contracts with the water district with effective rates that are lower than member cities.

Glasscock said the cities have filed a water rate review to seek a rate methodology that is equitable, encourages water conservation and serve's the region's long-term goals.

The review comes at a time when water costs have swelled by 69.8 percent in the past four years and costs are expected to continue to rise. In the next seven years, officials expect water rates to rise 10 percent a year.

Those costs impact about 750,000 member city ratepayers that are impacted by these rising water rates, which include big corporate relocations and expansion in these cities, such as Toyota North America.

Wednesday's request for a water review comes after these four cities have attempted to seek a solution within the North Texas Municipal Water District and its 13 member cities.

Under water district rules, the 13 member cities would need to unanimously agree to move forward with a water review, but with some cities not benefiting from a water review — the request has been stalled for some time.

That has left these four cities to appeal to a higher authority.

"It is evident that due to our lack of bargaining power with the North Texas Municipal Water District, negotiating among ourselves will not result in the much needed changes," Glasscock said. "Asking the **Public Utility Commission** for this review is the next step."

On Wednesday afternoon, North Texas Municipal Water District Executive Director **Tom Kula** said water district officials were "disappointed," by the press conference held by Garland, Mesquite, Plano and Richardson that morning.

"We are disappointed these four cities announced this action," Kula said, in a written statement. "For the past year, the North Texas Municipal Water District has been holding meetings with its 13 member cities to discuss potential alternatives for allocating the regional water system costs."

While the water district recognizes the concerns of the four cities, Kula said it must also consider the positions of Allen, Farmersville, Forney, Frisco, McKinney, Princeton, Rockwall, Royse City and Wylie.

The 13 member cities of the water district have yet to reach an agreement, but the district hasn't given up seeking a potential solution, he said.

"We believe the matter would be best resolved by the district working with the 13 member cities," Kula added. "While water service costs have increased across the United States, the district's wholesale cost for treated water delivered to the cities we serve is one of the lowest in the state at only a quarter of a penny per gallon."

Candace covers commercial and residential real estate and sports business.

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