

**City of Rhome**  
**Wastewater Rate**  
**Frequently asked Questions**

**The water/wastewater fund is an enterprise fund. What exactly does that mean?**

According to the rules of the Governmental Accounting Standards Board, the water/wastewater must be accounted for as a separate fund from the General Fund as it is a business-type activity of government. Since it is similar to running a business, expenses should not be more than the revenue. In other words, the revenue should match, or exceed, the expenses.

**What are the typical expenses of the water/wastewater service?**

Expenses include the cost of water purchased; in the City of Rhome's case, we purchase water from Walnut Creek Special Utility District. Expense also includes labor (employees), maintenance, operations, equipment, and any capital improvements or capacity expansions needed to provide continuous and adequate service.

**When was the last time the water/wastewater rates were raised?**

The last time the water rate was raised was in 2017 (Ord. 2017-16) and was essentially only a pass-through rate adjustment in response to Walnut Creek increasing their rates to the City. The rate increase was \$0.16 (cents) on the base rate and \$.08 (cents) on the number of gallons rate. This increase did not cover the cost of doing business or provide any increase for improvements or expansion. The increase was on the water side only and did not include an increase to the sewer/wastewater rates.

The last time the sewer/wastewater rate was increased was in 1999. Again, the rate increase did not cover the cost of doing business or provide any increase for improvements or expansion.

**I pay taxes. Why doesn't that pay for the water/wastewater service?**

The taxes you pay on your property (ad valorem/property taxes) go into the General Fund and pays for general administration which includes services such as Police, Fire, Code Compliance, Building & Development, Parks & Recreation and general administration.

**Why are the water and wastewater improvements so expensive?**

Water/wastewater is a capital-intensive business, from the cost of designing and engineering the system, to the cost of treatment plants materials and operation, equipment, water and wastewater pipes and the cost of construction.

Additionally, the industry MUST comply with state and federal regulations, it is not optional. We are essentially impacted by unfunded mandates.

### Why am I being asked to pay for growth?

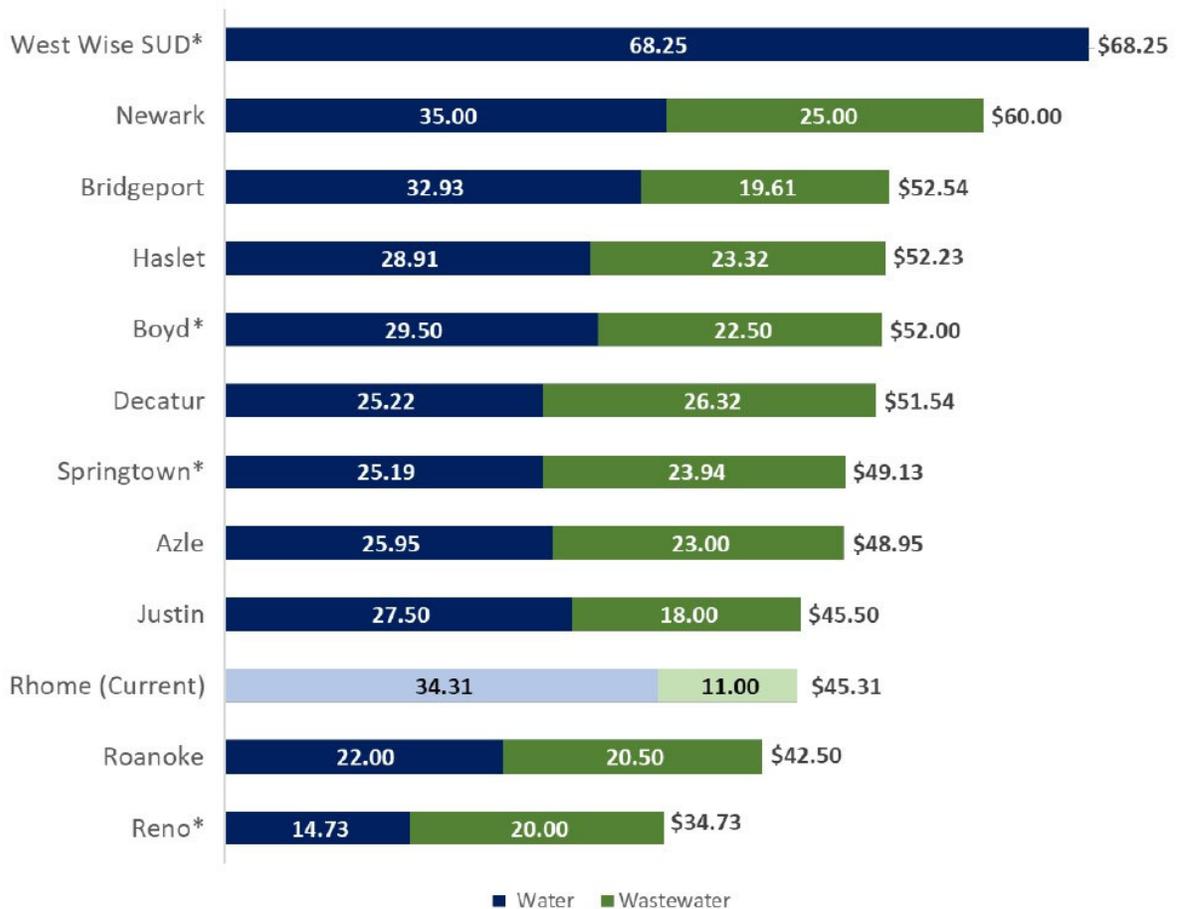
While the City of Rhome adopted impact fees in 2020, we had to wait a year to be able to begin charging. As of March 2021, the City now charges these impact fees. The purpose of the impact fees is for development to absorb some of the cost of providing for new growth (i.e., maintenance and expansion to accommodate new growth).

At the same time, new growth helps grow and increase the tax base which spreads out the cost over more people thereby lowering the cost to users.

It is also important to note that our rate structure charges higher rates to out-of-city customers, a practice which is common and recognized under the Texas Administrative Code.

### How does our rate compare with cities around us and/or cities similar to us in size?

This kind of comparison is challenging and can be like comparing apples to oranges because there are too many variables that may not be equivalent. Every city is in a different stage of growth, may or may not purchase water at the same cost or may be entirely on well water and may be more spread out or more condensed geographically.



\*Cities that buy water from Walnut Creek SUD