

Water and Wastewater Rate Restructuring Notice

What is happening with the City's water and wastewater rates?

Rates for City of Aledo water and wastewater services will increase effective January 15, 2022, as you will see on your next (February) bill. This will be the first change to the City's water and sewer rates in 10 years, and overall rates will still remain below or comparable to those of many nearby communities.

As part of this rate restructuring, we are also reducing the number of volumetric water usage tiers from eight to five, in order to simplify our water rate structure. Please see the chart on the reverse for more details.

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Additionally, we are introducing winter average billing for residential wastewater services, so the amount you pay for the sewer component of your bill will be a consistent amount year-round, based on your December to February usage.

These changes mean the City should bring in nearly 10% in additional water and wastewater revenues in FY 2022, enabling the City to invest in water and sewer capital projects that are needed due to our community's rapid growth.

The City is alerting customers to these changes now so you can plan ahead for the summer months. The City is also phasing in the water rate increase gradually over five years, and the wastewater rate increase over three years, in order to reduce the immediate impact on customers.

What does this mean for me?

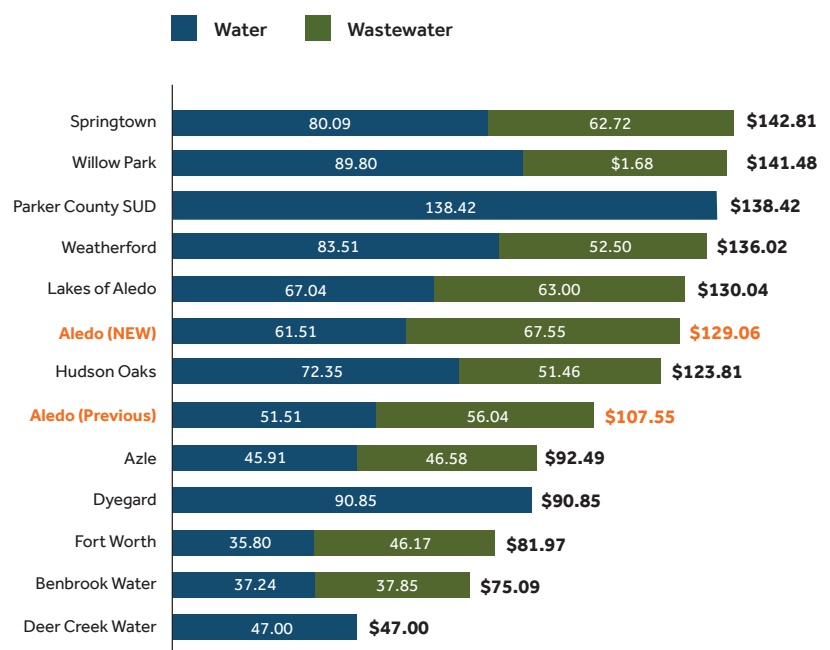
Even with the increase, the City's effective, combined residential water and wastewater rate – which has been **one of the lowest in the area** – will remain **middle-of-the-pack** for a roughly average household using about 7,000 gallons per month. See the chart on the right for an illustration of how a typical Aledo residence would be affected in 2022, and how that compares to nearby communities.

Additionally, the introduction of winter average billing for residential wastewater will provide greater stability in households' overall bill, reducing the spikes often seen in the summer months when usage is highest.

Ultimately, you still have the ability to control how much you pay by using water responsibly. Given the difficulty of developing new water supplies, the rapidly growing demand for water in North Texas, and the ever-increasing cost of wholesale water, we urge all residents to conserve water whenever possible, especially by limiting outdoor irrigation and repairing leaks.

Regional Bill Comparisons — Residential FY 2022

7,000 gallons / month (roughly average household)

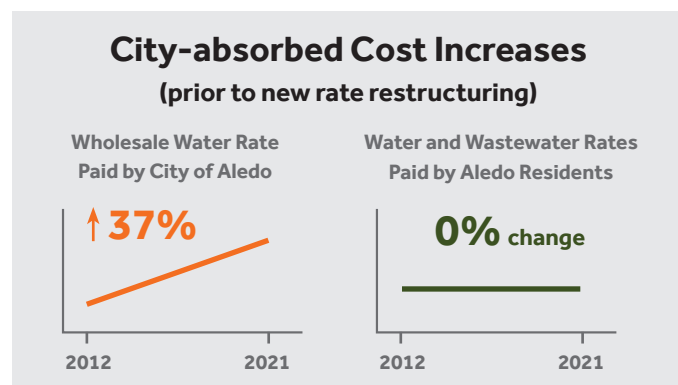


Why is the City making this change?

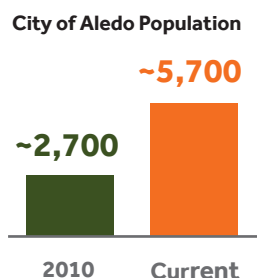
Water and wastewater are among the most important services we provide, and we take that obligation very seriously. We must ensure a high-quality, reliable water supply and sewer system for our residents – both today and in the future.

The City annually reviews its water and wastewater rates to ensure we can cover the cost of purchasing wholesale water supplies, the City's internal costs of providing water and wastewater services, and the cost of servicing the City's debt as required by state law. Last year, the City engaged consultant NewGen Strategies & Solutions to evaluate our rates and advise on any needed adjustments. The City Council subsequently received multiple briefings on this issue.

Aledo customers' water and wastewater rates have remained unchanged since 2012, even as the effective rate **the City pays our wholesale water supplier (the City of Fort Worth) has increased about 37%**. Up until now, the City has absorbed this cost and deferred some infrastructure maintenance and replacement to insulate customers from unnecessary cost increases. But the City has now reached a point where it requires additional revenues to invest in critical infrastructure. **In order to be good financial stewards and protect the future water and wastewater system, we have adjusted rates to a more prudent level.**



We also need to account for recent, dramatic growth and the community's expected future growth. **Since 2010, the City's population has increased from about 2,700 to over 5,700 today,** and the number of households also more than doubled during that time. At buildout, Aledo could have 10,000 – 13,000 residents, so there is no doubt that more growth is coming.



Among the capital infrastructure projects necessitated by that growth are the imminent expansion of Aledo's wastewater treatment plant, which will cost an estimated \$16 million. Adjusting utility rates now allows us to plan for this inevitable expansion, which will be required under state law in the next few years.

New Rates FY 2022 — Residential

Water	Previous	NEW
Meter Size (includes 2,000 gal)		
¾" or less	\$ 27.15	\$ 32.31
1 "	67.87	80.77
1 ½"	135.74	161.54
2"	217.18	258.46
3"	407.22	484.61
4"	678.70	807.69
Volumetric Charge (000s)		
2,000 – 2,999	\$ 1.00	
3,000 – 6,999	5.84	
7,000 – 11,999	6.76	
12,000 – 16,999	7.67	
17,000 – 29,999	8.58	
30,000 – 59,999	12.60	
60,000 – 89,999	16.62	
90,000+	24.67	
2,000 - 6,999		\$ 2.62
7,000 - 11,999		4.37
12,000 - 19,999		6.64
20,000 - 49,999		9.59
50,000+		13.42
Purchased Water Pass-Through		\$ 3.22

Sewer	Previous	NEW
Meter Size (includes 2,000 gal)	\$ 30.00	\$ 34.35
Volumetric Charge (000s)		
2,000 – 2,999	\$ 1.00	
3,000 – 16,000	6.26	
16,000+ (Commercial Only)	6.26	
2,000 – 13,999		\$ 6.64
14,000+ (Commercial Only)		6.64

Where can I go for more information?

If you have questions about the City of Aledo's water and wastewater rate restructuring, or utility billing in general, please contact the Utility Billing branch of the City's Finance Department at 817-441-7016.

For tips on how to reduce your water consumption and better conserve water, visit <https://takecareoftexas.org/conservation-tips/conserve-our-water>.