



CITY OF PHARR, TEXAS

Getting Water and Sewer Funding

April 2007

Introduction



- EPA's Michael Deane told a crowd at the Global Water Conference in New York:
 - The United States is entering its third generation of water and wastewater funding.
 - “In the first generation, the federal government spent billions of dollars to get over the water crisis in the 1970s and early 1980,” said Deane, senior policy advisor for infrastructure financing.
 - “During the second generation of financing, a loans program was started to wean communities from the subsidies of the first generation. Now we are entering a third generation in which full-cost pricing is the expectation.”
 - “We have been under-charging for water over the last 30 to 50 years, and now we are going to see rate increases across the country.”

Underground Infrastructure Management (UIM) Sept/Oct 2006

Education and its Role in Utility Systems Management



Utilities System Analysis (Technical)

- Water and Sewer Treatment Capacity
- Water Storage
 - Reservoir
 - Elevated Storage Tanks
 - Underground and Ground Storage Tanks

Education and its Role in Utility Systems Management



- Pump Capacity
 - High Service Pump Station
 - Raw Water Pump Station
 - Transfer Pump Station
 - Lift Stations

- Discussion on Water Distribution and Wastewater Collection System

Education and its Role in Utility Systems Management



- Source of Water
 - Surface Water (Water Rights)
 - Ground Water

- Meter Reading Capability
 - Reading
 - Efficiency of Meters (\$\$\$)

Education and its Role in Utility Systems Management



- Billing and Collection
 - Rate Structure
 - Delinquent Policy

Statutory Requirements Governing Water and Waste Water Administration



- Texas Commission on Environmental Quality and Environmental Protection Agency (Legal)
 - TCEQ Rule 290 (Water and Distribution)
 - TCEQ Rule 317 (Wastewater and Wastewater Collection)
 - TCEQ Wastewater Permit
 - EPA 40 CFR 122 (Wastewater Collection)

Development of a Capital Improvements Program



- Develop a Comprehensive Need Assessment Plan and the Role of the Consulting Engineer
 - Population Growths
 - Deficiency in the System
 - Propose Solutions
 - Set Priorities
 - Credible Program

Funding your Capital Improvements Program and the Role of the Financial Advisor



- Resources Analysis
- Utility System Financial Analysis
- Analysis of Rate Structure
- Present Alternative Plans

Weathering the Impact of Rate Increases and Proactive Control



- Public Information Program
- Dialogue with Elected Officials



Conclusion

- If we do not educate our elected officials, we will never convince them for the needs to raise rates to implement a capital improvement program, but you must establish credibility, trust, and honesty.
- You must educate them on the technical, legal and the financial aspects of your utilities system.
- You must give them the proper information to make the proper decision.



Conclusion Continued

- The City of Pharr Water and Sewer Monthly Bill for the average user (8,000 gallons) was \$32.30.
- With the steps of educating the elected officials about the technical, legal, and financial aspects the Utilities Department, we were able to raise rates. The average user (8,000 gallons) now pays \$49.94.