

HCMUD 136 FEBRUARY 2010 REPORT

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HAPPY NEW YEAR to all of you! Hopefully 2010 brings you good luck and better health! I'd like to discuss two issues that will have a significant effect on your upcoming March 8 bill from HCMUD 136 (via SouthWest Water).

TRASH COLLECTION

Beginning February 1, 2010 the MUD took over solid waste collection services from the DVCA. *This was at the request of the DVCA and not initiated by HCMUD 136.* Your first curbside collection under terms of the new contract is Tuesday, February 2. First recycling pickup is Friday, February 5.

After an exhaustive study and comparison of rates and services we decided to contract with Texas Trash, Inc. to provide solid waste and recycling collection. Texas Trash is a start-up company owned and operated by waste industry veterans, and we have been assured of high quality service and support. Our contract protects the MUD and its residents in such case the company cannot perform as advertised.

Admittedly, we could have contracted with either Allied or some other well known company (at higher cost to customers) and not worried as much about poor performance. The Board has opted to allow this entrepreneurial company, Texas Trash, a chance to serve us. Texas Trash, Inc. does not currently have a website and should you happen to try and reach them by phone without success you can always call one of our HCMUD 136 Board members and we'll assist you or answer questions if possible.

Your March 2010 bill will reflect a new residential sewer rate of \$28.05 instead of the current \$13.00. This now INCLUDES the \$15.05 monthly waste and recycling collection rate with the \$13.00 monthly sewer rate. **YOU WILL NO LONGER RECEIVE A QUARTERLY BILL FOR TRASH COLLECTION.** The \$15.05 solid waste collection fee is NOT subject to state sales tax, and is a significant reduction over the current quarterly (pro-rated monthly) solid waste bill. Plus, the recycler is picking up all plastics #1-7 as well as newspaper and glass (see their flyer elsewhere in the newsletter).

WATER BILL

Beginning with your March 2010 bill, you will see a dramatically increased fee for water charged by the West Harris County Regional Water Authority (www.whcrwa.com). The 2009 fee for surface and groundwater charged to the district was \$1.25 and \$0.95 respectively per 1000 gallons. We had no choice but to pass this fee on to our consumers and this is the line item you see on your current bill. Until December 31, even though we were being charged \$1.25 by WHCRWA (for surface water) we still billed our customers at the \$0.95 (\$1.01 w/markup) rate.

Starting January 1, 2010 HCMUD 136 has been charged \$1.55 per 1000 gallons by WHCRWA because we are now exclusively on surface water. HCMUD 136 has absorbed this increased cost during the first 2 months of 2010 because we wanted to analyze the cost savings to the district by not running our water wells. Consultant feedback tells us that there is minimal routine operation and maintenance cost savings realized by the district at this time, and as a result our “pass through fee” is 100% of the WHCRWA fee instead of 106%.

For a typical customer using 20,000 gallons the 2009 WHCRWA fee was \$19. As of March 2010 the cost for 20,000 gallons will be \$31. This is IN ADDITION to the rates HCMUD 136 charges for water.

A few observations:

- 1) WHCRWA's fee is charged to every water district in their jurisdiction. If you are on surface water you are paying \$1.55 / 1000 gallons. **THIS IS NOT A HCMUD 136 FEE- WE HAVE NO CONTROL OVER THIS FEE.**
- 2) HCMUD 136 customers are now paying both for WHCRWA's delivery of surface water and the operation of their system as well as HCMUD 136's administration of local infrastructure and water delivery to homes and businesses. This two-tier water system requires separate billing, whereas in the past all water delivery was handled inside the boundaries of HCMUD 136.
- 3) HCMUD136 is in WHCRWA Precinct 4. Your elected representative is Mr. Stacey L. Burnett. He can be contacted through the **WWW.WHCRWA.COM** website. A map of voting precincts for WHCRWA is on their website, as is their 2010 rate order.
- 4) HCMUD 136 is no longer charging a “mark-up” on the WHCRWA fee (or 106% of the WHCRWA fee). This was implemented to help recover costs associated with unmetered water and operations. Because we are realizing minimal maintenance and operations cost savings related to surface water (versus pumping our own ground water), there is no longer a need for this mark-up.

As resident directors (and taxpayers) of HCMUD 136 we are as frustrated as you about the size of this increase. WHCRWA rates will continue to escalate into the foreseeable future as the entire western half of Harris County moves to surface water. But water is a finite resource and since the legislature mandated we move away from groundwater we're all subsidizing the infrastructure and delivery systems for surface water.

The best way to beat the effect of the price increases is to conserve our most valuable resource - water. By installing low-flow toilets, faucets and sprinkler systems, monitoring water usage, and watering during evening hours you can maximize the resource and maybe even save a few dollars. Water is no longer “cheap”.

As usual, if you have any questions or comments, please let us know.