



Moving Starkville Forward:

Rate Adjustment Addresses Current & Future Utility Needs

DECEMBER 2022

The City of Starkville has approved a water and sewer rate adjustment that will keep Starkville's capital improvement plan on track to serve the community's current needs and future growth. The adjustment was based on a systematic, data-driven analysis of capital projects and routine operating costs, which have risen significantly in the last year. For most customers, the adjustment will raise monthly water and sewer bills \$3 to \$5 while generating an additional \$1 million annually to fund critical utility projects and operations. As part of our commitment to customers, Starkville Utilities has developed this fact sheet to answer questions and promote clarity and transparency in our funding processes.

Didn't the 2020 rate adjustment fund capital improvements?

Yes. We expected the adjustment to sustain capital and operating budgets for several years. That is no longer the case, given the ongoing effects of inflation on all facets of our operations, including labor, construction materials, diesel fuel and chemicals used in treatment processes for drinking water and wastewater.

The rate adjustment will keep Starkville's capital improvement plan on track to serve the community's current needs and future growth.

How will the increase affect customer bills?

Water and sewer base rates will each increase from \$4.50 to \$6. The variable rate will increase from \$4.15 to \$4.50 per 1,000 gallons (the first 1,000 gallons of water usage is still included in the base rate). New rates take effect in February 2023. The adjustment will raise monthly water and sewer bills \$3 to \$5 for most customers. Of the more than \$1 million generated annually, approximately \$750,000 will be reinvested into the system to fund capital projects and the remainder will be used to cover rising operation and maintenance costs. Even with this increase, Starkville Utilities customers have some of the lowest water and sewer rates in Mississippi when compared to similarly sized municipalities.

What projects will be funded by the rate adjustment?

We are currently upgrading water and sewer systems in Rolling Hills, Green Oaks (phase 3) and Babylon Road. Several projects are in the design phase, including a water and sewer infrastructure upgrade on Main and Lampkin streets. As part of our commitment to prepare for the future and be proactive in our service to our customers, Starkville Utilities will perform a comprehensive evaluation of our water and wastewater treatment systems and processes to identify equipment, facilities and overall capacity that should be upgraded or replaced. The rate adjustment will ensure that resources are available to complete the evaluation and address upcoming needs such as a new water production well.

Why is it important to make these improvements now?

Water and wastewater utilities are more than modern conveniences—they are integral to Starkville's quality of life and support a healthy, thriving and growing community. Although we have made steady progress in Starkville's capital improvement plan, about half of the city's water and sewer infrastructure is more than 50 years old. That means we must continue investing in these systems to ensure that customers have access to safe, reliable and affordable utility services today and for generations to come. Following a systematic, data-driven strategy to fund capital improvements ultimately saves customers money by avoiding repairs and outages caused by aging, outdated infrastructure.

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Current Rate & New Rate & Revenue Generation – Summary

	BASE WATER	BASE WATER & SEWER	VARIABLE WATER	VARIABLE WATER & SEWER	
Current Rate	\$ 4.50	\$ 9.00	\$ 4.15	\$ 8.30	
New Rate	\$ 6.00	\$ 12.00	\$ 4.50	\$ 9.00	
Revenue Generated	\$ 499,523.00	46%	\$ 575,590.00	54%	\$ 1,075,113.00

Customer Usage & Rate Adjustment Data – Water Only

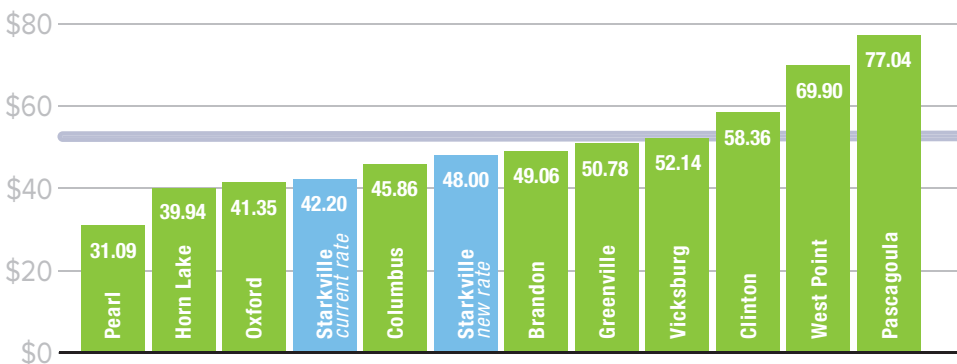
WATER ONLY	NUMBER OF CUSTOMERS	PROJECTED BILL	AVERAGE BILL	BILL INCREASE	
less than 1,000 gal.	4105	79%	\$ 6.00	\$ 4.50	\$ 1.50
1,000 to 2,000 gallons	142	3%	\$ 8.37	\$ 6.68	\$ 1.68
2,000 to 5,000 gallons	411	8%	\$ 16.93	\$ 14.58	\$ 2.35
5,000 to 10,000 gallons	293	6%	\$ 32.85	\$ 29.26	\$ 3.59
more than 10,000 gallons	238	5%	\$ 296.53	\$ 272.43	\$ 24.10
	5,189				

Customer Usage & Rate Adjustment Data – Water & Sewer

WATER AND SEWER	NUMBER OF CUSTOMERS	PROJECTED BILL	AVERAGE BILL	BILL INCREASE	
less than 1,000 gallons	2,828	25%	\$ 12.00	\$ 9.00	\$ 3.00
1,000 to 2,000 gallons	1,172	16%	\$ 16.61	\$ 13.25	\$ 3.36
2,000 to 5,000 gallons	4,106	36%	\$ 32.99	\$ 28.36	\$ 4.63
5,000 to 10,000 gallons	1,836	16%	\$ 63.72	\$ 56.70	\$ 7.02
more than 10,000 gallons	740	7%	\$ 479.07	\$ 439.74	\$ 39.33
	11,281				

Rate Comparison – Cost of 5,000 Gallons, Water & Wastewater

State Average\$52.43
 Starkville8.45% Below Average



State Average: \$52.43



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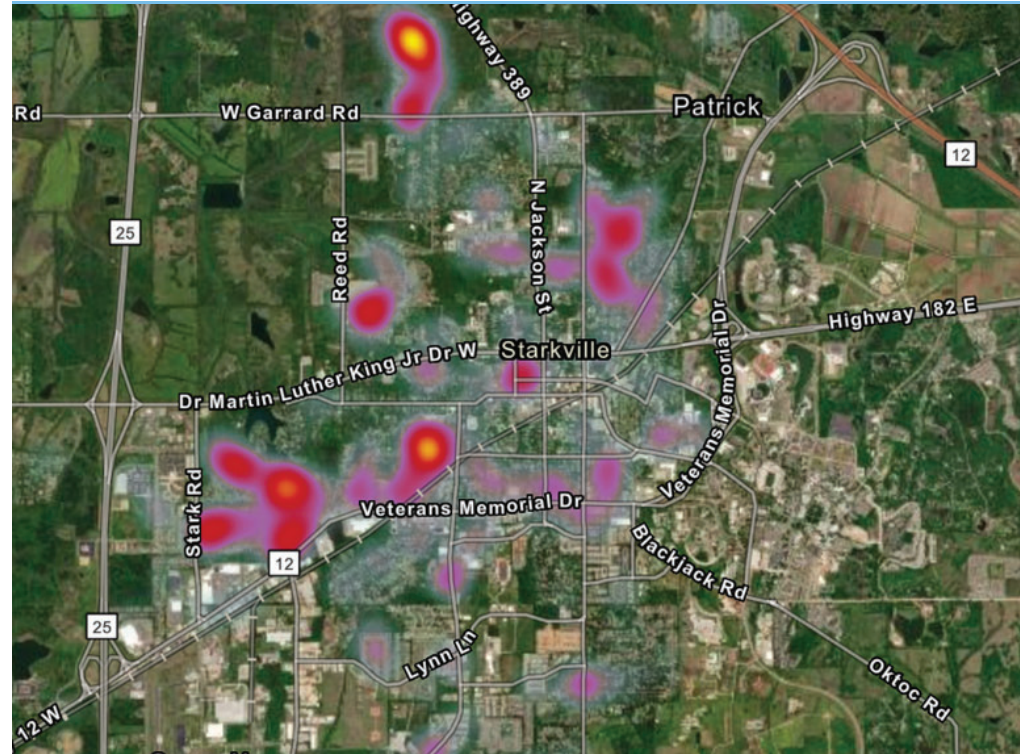
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Data Drives Capital Improvements

For the past several years, Starkville Utilities has recorded all reported issues related to the City's utility infrastructure, ranging from water leaks, stopped sewers or broken mains. The data-driven process produces heat maps that spotlight areas where capital investments are needed, removing emotion and anecdotal influences and placing infrastructure dollars where they are most beneficial. Adjacent are the heat maps for water and sewer-related issues that were current as of December 2022.

Sewer Issues Heat Map, December 2022



Water Issues Heat Map, December 2022

