

## **Rate Increase**

Effective 07/01/2019 for bills dated 08/25/2019

**A projected rate increase was approved, following a public hearing, by the SGWASA Board on May 14, 2019. The following information gives a brief overview of the contributing factors in the rate increase.**

### **Operating Costs**

SGWASA is a public Authority required by N.C. General Statutes to operate as a self-sustaining enterprise fund. This means the cost of operations must be covered by revenues. Our sole source of operating revenue is from water and wastewater services to our customers. General operations include: water treatment, water distribution, wastewater collection, wastewater treatment & discharge, administration, billing & collections, maintenance of the system infrastructure, and debt service.

Like other industries, the cost to operate the utility system has continued to increase each year. These increases result from upward pressures on staff salaries and basic benefits, and increases in costs associated with supplies and materials. In addition to rising costs, the utility has also been impacted by the reduction in the sales of water and wastewater services due to conservation efforts. It is the combination of all these factors which resulted in the need to increase rates effective July 1, 2019.

The SGWASA Board recognized the need to reduce the impact rates would have on customers and therefore made the decision to approve a rate increase which was lower than what was calculated to fully fund general operations. This action will require SGWASA administration and staff to continue to seek operational efficiencies in order to offset future capital needs.

### **Impact on Residential Rates**

#### **Benchmark increases for a residential water/wastewater customer**

- 2000 gallons per month:      \$ 5.79
- 4200 gallons per month:      \$17.05

### **Impact on Bulk Water Rates**

|                     |      |
|---------------------|------|
| Admin Fee           | \$25 |
| Rate per 1,000 gals | \$10 |

### **Closing**

The Board and staff of SGWASA regrets the impact that the related rate increases have on our customers and continue to diligently seek alternate streams of funding.

For a complete Rate Schedule, please visit our website [www.sgwasa.org](http://www.sgwasa.org) or contact our office at 919-575-3367, option 0.