

Water and Sewer Rates Increase beginning July 1, 2017

**Water Rates**

As provided in previous public notices, Phase IV of the Water Treatment Facility Capital Rate Plan calls for a scheduled increase in water rates of 3% beginning July 1, 2017. However, LCWSC has been notified by the City of Clinton that they will increase their water rate for water sold to the LCWSC by 48.8% effective July 1, 2017 and another 16.4% over the next two years. We are being told these rate increases are needed to offset deficits in their water division and to allow Clinton to stop subsidizing their water division with revenue from the electric division. The water we receive from Clinton supplies 1/3 of our customer base therefore these successive increases over the next three years will increase our expenses approximately \$450,000. The scheduled rate increase of 3% for next fiscal year is not enough to cover such a large increase in our operating budget therefore our Board of Commissioners has voted to increase our water rates an additional 7% effective July 1, 2017. We regret this difficult decision but as a non-profit public utility, LCWSC depends solely on your payments to cover the operation and maintenance costs of its water system.

The table below illustrates each phase and the corresponding monthly bill based on an average usage of 4,050 gallons per month, a typical monthly usage for our customers. Customers can expect to see an average increase in their monthly water bill of \$2.07 for the coming year.

<b>Approved Water Rate Increase(s)</b>			
	<b>Current Bill</b>	<b>July 2017</b>	<b>July 2018</b>
Average Residential Water Bill	\$35.45	\$37.52	\$38.17
Minimum Residential Water Bill	\$15.00	\$15.00	\$15.00
Residential Water Rate (per 1000 gals)	\$5.05	\$5.56	\$5.73

LCWSC’s decision to build a new, state-of-the-art water treatment facility on Lake Greenwood, was primarily made to ensure a high quality, sustainable source of drinking water in Laurens County for generations to come. We are still on schedule to start operation of this new facility in the summer of 2021 and we anticipate that water quality, both in terms of purity and taste, will exceed our high expectations and provide a consistent level of service to our customers. Another benefit and a significant reason the Board decided to build this new facility was the ability to better manage our cost. This project represents a tremendous investment in our community, it will allow the LCWSC to better predict our expenses, minimize future rate increases because of third party decisions, and ensure your payment, your investment in us, will be used in a cost-effective manner.

## Sewer Rates

Last year, Laurens County Water & Sewer Commission (LCWSC) adopted a 4-year Sewer Capital Rehabilitation Rate Plan. To ensure that a sustainable sewer system is available for future generations, this plan was designed to eliminate the need to use limited reserve funds for capital rehabilitation projects as required to maintain compliance with state and federal regulations. A well maintained, highly functioning wastewater collection and treatment system is required to adequately serve our customers and protect the environment. Ongoing maintenance must be performed to ensure that the LCWSC continually meets these standards. Unfortunately, a substantial decline in sewer flow over the past year, particularly in the southern part of the County where little growth is predicted in the foreseeable future, has and will continue to reduce revenue beyond what this rate plan can accommodate. Even after reducing our sewer budget \$226,900 or 9.5% for FY 2018, additional rate increases are necessary to overcome these future deficits.

As provided in previous public notices, our Sewer Capital Rehabilitation Rate Plan calls for scheduled increases in our sewer collection rates of 3%, and in our sewer treatment rates of 3%, both effective July 1, 2017. Again because of significantly reduced flow at our Clinton-Joanna wastewater treatment facility, the Board of Commissioners voted to increase sewer treatment rates an additional 22% effective July 1, 2017. Again, we regret this difficult decision, but as a non-profit public utility, LCWSC depends solely on your payments to cover the operation and maintenance costs of its wastewater systems.

The table below has been updated and illustrates each phase and the corresponding monthly bill based on 4,050 gallons per month, a typical monthly usage for our customers. Customers can expect to see an average increase in their monthly sewer bill of \$4.63 for the coming year.

<b>Approved Sewer Rate Increase(s)</b>				
	<b>Current Bill</b>	<b>July 2017</b>	<b>July 2018</b>	<b>July 2019</b>
Average Residential Sewer Bill	\$37.30	\$41.93	\$42.94	\$43.95
Minimum Residential Sewer Bill	\$8.50	\$9.00	\$9.00	\$9.00
Sewer Collection Rate (per 1000 gals)	\$3.44	\$3.54	\$3.65	\$3.76
Sewer Treatment Rate (per 1000 gals)	\$3.67	\$4.59	\$4.73	\$4.87