

Water Rates Increase beginning July 1, 2020

The Laurens County Water and Sewer Commission (LCWSC) Board of Commissioners approved a \$1.00 increase to its monthly base fee, beginning Fiscal Year 2021. The \$1.00 increase will be phased in, with a \$0.50 increase beginning July 1, 2020 and another \$0.50 increase effective January 1, 2021. This increase was approved to help fund a meter replacement project beginning this fiscal year.

Historically, the LCWSC has borrowed money to replace its water meters. Given that the LCWSC has 16,000 plus water meters this can require a large financial obligation. Additionally, when replacing meters using this model, the cost per meter substantially increases due to interest expense and contract labor expense required to replace a lot of meters in a short period of time. Finally, when you replace all your water meters at once, you can have a large number of meter failures at once. This can put a strain on your workforce with excessive work orders to address these failures in a timely manner.

For these reasons, the LCWSC has decided to start its meter replacement process slightly ahead of schedule and to do so over a ten-year period. Using the pay-as-you-go model as opposed to borrowing money. This will eliminate the interest expense and the contract labor expense, by allowing LCWSC staff to replace up to 2000 meters per year.

Though the LCWSC has some reserve money set aside for this replacement effort, it is not enough. This \$1.00 per month increase, will help off-set this deficit. Also, given that these new meters will be guaranteed for 20-years, there will be a ten-year period when meters will not be replaced. During these years, this \$1.00 per increase will be reserved in a meter replacement fund to fund future replacements.

The new meters are a proven technology, made of stainless steel and with no moving parts in the flow of water that can wear down over time, hence the 20-year accuracy warranty. The LCWSC initially considered deploying cellular transmitters on all new meters, but this would have resulted in a much larger rate increase that could not be offset with operational savings. However, because these meters can be retrofitted with this cellular transmitter, LCWSC still has the option to pick and choose where to install these transmitters for real-time system information to improve operations. We will wait to install these cellular transmitters on a more widespread basis in future meter changeouts as it is anticipated this technology will only improve over time and possibly get more cost effective as other systems buy in to this technology.

The table below illustrates the current and future monthly bill based on this rate increase with an average usage of 4,000 gallons per month which is a typical monthly usage for our customers.

Approved Water Rate Increase(s)			
	Current	July 2020	January 2021
Average Bill	\$38.60	\$39.10	\$39.60
Water Residential Base Fee	\$15.00	\$15.50	\$16.00
Water Residential Volume Rate	\$5.90	\$5.90	\$5.90