

# ORANGE WATER AND SEWER AUTHORITY

**NEWS RELEASE** September 29, 2008

## OWASA's monthly rates will increase about 17% on October 1

On October 1<sup>st</sup>, a combined increase of about 17% in OWASA's monthly water and sewer rates will go into effect.

With the new rates, the monthly bill for an individually-metered residential customer using 5,000 gallons will increase \$10.06, from \$58.18 to \$68.24. The bills for individual customers will depend on the extent of conservation/water use, type of service, size of the meter serving a customer, etc.

OWASA said the rate increase is needed primarily because water demand in the coming year is expected to be 13% below past projections as customers continue conservation practices in response to the drought of 2007-08 and OWASA's conservation rates. Connection fees from new development are expected to remain about 40% below normal because of the slowdown in local construction.

OWASA's operating budget for the fiscal year from July, 2008 through June, 2009 (FY 09) totals \$18.4 million, or 1.3% more than the adopted FY 08 budget. The budget includes substantial increases in energy, chemical, material, and employee health insurance costs; but OWASA is offsetting much of the increases by freezing vacant positions and other cost reductions.

OWASA began cutting and deferring costs in the fall of 2007 in response to the drought and expected lower water demand, and reduced FY 08 costs by \$1.36 million below the budget. About 10% of OWASA's 150 authorized positions are vacant and now frozen. OWASA will continue to monitor water demand and revenues, and to increase the efficiency of services.

"Our budget process and rate-setting decisions this past spring were very challenging because of the difficult economic circumstances that our customers and OWASA are facing," said Kevin M. Ray, Director of Finance and Customer Service. "Our employees will continue to pursue opportunities to increase efficiency, and to work smarter and more creatively to maintain our service quality and reliability with reduced resources. However, we will fill jobs necessary to maintain our essential water and sewer services," he said.

Examples of monthly bills with new rates for individually-metered residential customers, who pay increasing block water rates:

**For 2,000** gallons of water/sewer use per month: **\$36.71**, an increase of \$5.11 or 16.2%

**3,000** gallons per month: **\$47.22**, a \$6.76 (16.7%) increase

**4,000** gallons per month: **\$57.73**, an \$8.41 (17.1%) increase

**6,000** gallons per month: **\$79.94**, a \$12.07 (17.8%) increase

8,000 gallons per month: **\$103.34**, a \$16.09 (18.4%) increase

16,000 gallons per month **\$214.12**, a \$36.34 (20.4%) increase

Residents interested in receiving an estimate of monthly bills with new rates based on past water use are invited to contact OWASA at 968-4421 or [webmaster@owasa.org](mailto:webmaster@owasa.org).

Businesses, institutions and master-metered multi-family neighborhoods pay seasonal water conservation rates, which are higher from May through September and lower from October through April. The seasonal rates will also increase, and a customer's bills will depend on water use, meter size and seasonal water use patterns, which vary widely among non-residential and master-metered residential customers.

#### Bills to be pro-rated in October due to rate changes

Since most of OWASA's meter readings do not occur on the first day of the month, bills in October will be pro-rated to reflect the rate changes.

For example, a customer receiving water and sewer service from September 16 through October 15 would pay for half of the service at current rates and half at the new rates.

#### **For more information:**

Kevin M. Ray, Director of Finance and Customer Service, 537-4236 or [kray@owasa.org](mailto:kray@owasa.org)

Greg Feller, Public Affairs, 537-4267 or [gfeller@owasa.org](mailto:gfeller@owasa.org)

***OWASA is the community-owned, non-profit public water and sewer agency  
serving the Carrboro-Chapel Hill community.***

400 JONES FERRY ROAD, CARRBORO, NC 27510

PHONE: (919) 968-4421; FAX: (919) 968-4464

WEB SITE: [WWW.OWASA.ORG](http://WWW.OWASA.ORG); E-MAIL: [WEBMASTER@OWASA.ORG](mailto:WEBMASTER@OWASA.ORG)