



CARROLL COUNTY WATER AUTHORITY

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2017 Residential Water and Sewer Rate Adjustment

Questions and Answers

Q. What changes can I expect in the water and sewer rates? What impact will it have on my bill?

A. The Authority is changing its rate structure by increasing the monthly base fees on residential water and sewer service by \$1.00 each. The water consumption rates will remain unchanged. However, the sewer consumption rate will increase by 3%, which is an increase of \$0.12 per unit, to \$4.18 per unit. A unit is equal to 100 cubic feet or 748 gallons. The new minimum monthly bills on residential water and sewer will be \$16.00 and \$16.86, respectively. The rate changes will be implemented on bills received after December 1, 2017.

Q. Why did the Authority decide to increase rates?

A. Rates are reviewed and adopted during the annual budget process, and the decision to increase rates was given much thought and consideration during this process. Factors considered in making this decision included: operating and maintenance costs, regulatory requirements, replacement and rehabilitation of aging water system facilities, implementation of our capital improvement plan and maintaining our operating and debt coverage ratios at targeted levels.

Q. How did the Authority decide on these rates?

A. The Authority contracted with a consulting firm to perform an in-depth water and sewer cost of service study to evaluate the cost to deliver service to each rate classification. The study also considered various rate options.

Following are the key objectives identified by the Authority in revising the rate structure:

- Rates must be capable of generating sufficient revenues to meet all annual financial obligations
- The rate structure should encourage water efficiency and conservation
- The rate structure should be as representative of local customer water use patterns as possible
- Revised rates should be within affordability guidelines and remain competitive with local jurisdictions
- Rates should be structured to recover the costs associated with each rate class
- Rates should be structured to match the recovery rate of both fixed and variable cost for each rate class

Q. Why increase the base rate?

A. The increase in the base rate, which is a fixed revenue stream, enables the Authority to move toward its goal of achieving a more matched position between fixed and variable cost recovery within the various rate classes.

Q. When will the new rates take effect?

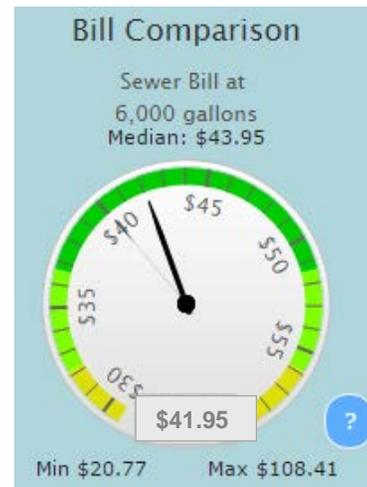
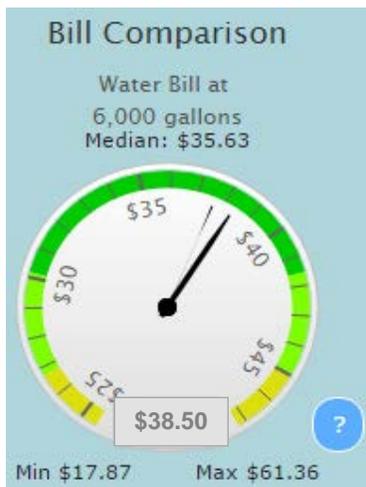
A. The rate increase will become effective beginning with the bill you receive after December 1, 2017. This billing cycle will be reflective of water and sewer consumption for the service period from late October through late November. The service period dates will vary depending on your geographical area, and the specific service period dates can be found on your bill.

Q. When was the last rate adjustment?

A. The Authority's last rate adjustment was in December of 2015.

Q. How does my water or sewer bill compare to others within a 50 mile radius?

A. A customer with water consumption of 8 units (typical residential consumption) or approximately 6,000 gallons per month will generate a water bill totaling \$38.50. This total is slightly above the 50 mile radius median bill of \$35.63, but well below the maximum bill of \$61.36 as shown in the Bill Comparison Graphic below. On a sewer bill with the same consumption, the bill generated will total \$41.95. This total is below the 50 mile radius median bill of \$43.95 and well below the maximum bill of \$108.41 as shown in the Bill Comparison Graphic below.



Q. How affordable is my water or sewer bill compared to this area's median household income?

A. A customer with water consumption of 8 units (typical residential consumption) or approximately 6,000 gallons per month will produce a water bill totaling \$38.50 and a sewer bill totaling \$41.95. The graphs below reflect the average annual utility cost compared with the median household income in the local area.

