

ONWASA Rate Increase Talking Points – July 1, 2022

Has ONWASA raised rates? Yes. Following a plan proposed by outside financial advisors, ONWASA implemented an 8% user rate increase effective July 1, 2022. The average water customer, who uses around 5,000 gallons each month, will see an increase of approximately \$2.60 per month. The average sewer customer will also see an increase of around \$4.68 per month. These amounts will vary based on the actual amount of water used each month. It is also important to note that this is only the 4th time in 12 years that ONWASA has raised rates.

Why has ONWASA raised rates? To support its ongoing capital improvement program. The growing population within the ONWASA service area, along with the need to replace existing infrastructure that is outdated or insufficient for current demand, requires the construction of new or replacement water and sewer treatment plants, underground piping and other facilities. While ONWASA does assess a one-time system development fee to new connections made to our system, this funding source alone is not enough to cover the cost of the priority projects identified in our current capital improvement plan.

Don't you get money from taxes? No. ONWASA is a utility authority that must raise the funding necessary for daily operations and all other activities through its rates and fees. We are not supported by any Federal, State or Local property tax, sales tax, or income tax.

What are you building? Based on evaluations of existing facilities and projections of future demand, ONWASA is planning multiple capital improvement projects to replace existing or construct new utility infrastructure to better serve our community. Projects currently scheduled over the next five years include:

- Southeast Service Area Wastewater Treatment Facility: \$31.8 million
- Swansboro Service Area Wastewater Treatment Capacity Improvements: \$19.5 million
- Highway 24 Regional Trunk Water Main Replacement: \$10.5 million
- Kenwood / Bishop Ridge Wastewater Collection System Expansion: \$5.2 million
- Central Office Water Quality Laboratory Replacement: \$2.5 million
- Topsail Island Water System Booster Pumping Station: \$1.5 million

How will the projects you are doing benefit me? The proposed water system projects will enable ONWASA to process more raw water from deep underground aquifers and deliver it more effectively throughout the service area. The wastewater projects will allow us to replace aging and undersized wastewater plants, protect the environment, and comply with state regulatory treatment requirements. If ONWASA does not continue to upgrade its wells, lines and plants we cannot adequately serve the rapidly growing population of our service area in the future.

Can't you get grant money to upgrade things? ONWASA has received grant monies to repair plants and lines after major storm events, however, grant funding for projects not related specifically to emergencies is presently very limited. We are always on the lookout for infrastructure improvement grants and applying for those that do become available.