



Greetings:

The Fort Mill Town Council recently adopted our fiscal year budget for 2011-12. We are proud of the many items we were able to incorporate in this year's budget without an increase in property tax rates. Examples include three new public safety employees, replacing outdated machinery and heavy equipment, developing a financing plan for expansion of Doby's Bridge Park, and continued efforts toward constructing a new water treatment facility.

We believe the water treatment plant is one of the most important projects the town will undertake. Currently, the town purchases our water from the City of Rock Hill through a wholesale purchase agreement. This agreement has been in place since 1989; however, the agreement is set to expire in late 2014. With this expiration date looming, and after receiving notification of a planned rate increase from Rock Hill, we were provided with an opportunity to consider additional options for providing future water service in the Fort Mill area. Our objectives were to secure high quality service, ensure the lowest price for our customers, and to put the town in the best possible position to manage our future water needs.

We began our evaluation with an attempt to negotiate a new agreement that would allow us to continue to purchasing water from the City of Rock Hill, our existing provider. Concurrently, we also began researching the process and costs involved in building our own water treatment facility. Unfortunately, we have been unable to reach an agreement with Rock Hill that will fully satisfy the town's objectives. Based on our analysis of construction costs, financing options, and future rate studies, the town believes that building our own water treatment facility is in the best long-term interest of our citizens. To ensure continuous service and lower costs, we have continued to move forward with the permitting, engineering and design of our own water treatment facility.

To finance this project, it is necessary to begin gradually raising water and sewer rates over the next few years. This year's budget includes a 10% water rate increase and 5.8% sewer rate increase to support this project. Additional details regarding this increase are included on the back of this letter. We have also posted additional information on our website at www.fortmillsc.gov.

The Town of Fort Mill is committed to providing our residents with the best service at the lowest possible price. We believe that constructing our own water treatment facility is in the best interest of our town and our customers. We recognize the current economic conditions, and we have made every effort to keep our rate increases as low as possible. In the end, we will deliver a product that ensures our long-term water needs are met, and will offer better opportunities for controlling our utility costs.

We look forward to keeping you informed of our progress on this important project, and we remain committed to providing you with the quality services you expect and deserve.

Sincerely,

The Town of Fort Mill

FREQUENTLY ASKED QUESTIONS

How much will my water bill be going up?

An inside residential customer using 6,000 gallons a month will see their water bill rise 10%, or \$2.43 per month. An outside residential customer using 6,000 gallons a month can expect to his rate go up by \$4.86 per month.

Will my sewer bill be going up also?

An inside residential customer using 6,000 gallons a month will see their sewer bill rise 5.8%, or \$2.03 per month. An outside residential customer using 6,000 gallons a month can expect to his rate go up by \$4.06 per month.

Why are my water bills going up?

The town has decided to build a water plant. To secure a loan to build the plant, the town must set rates at a level that will demonstrate to investors that the town will have the ability to repay the debt.

Why is the town considering building a water plant?

The Town currently purchases water from the City of Rock Hill. Our current wholesale agreement with Rock Hill will expire in 2014. During our negotiations, Rock Hill indicated that we would likely see significant increases as part of any contract extension. While the Town believes that construction of a new Fort Mill plant will still result in increased prices, we believe these prices will still be less than what we would have gotten under a new agreement with Rock Hill. As our own water producer and supplier, Fort Mill would also have more control in setting future rates.

What future increases are coming?

Our rate consultants have conservatively estimated that similar rate increases could be necessary over the next 2-3 years. Beyond 2014-2015, future rate increases will be determined by inflation, the need to repair aging water and sewer infrastructure, and the need to expand the Town's distribution and collection systems.

How will this impact Fort Mill future?

By building our plant, the town establishes its independence from any wholesale providers. It assures us of having competitive water pricing for residential and commercial development.

What about the security of our water supply?

A second source of water will increase the security of water supply to all of York County. In times of emergency, our utility bridge will allow the Town of Fort Mill and the City of Rock Hill to back up one another.

When will the plant be built?

Design is estimated to take 12 months. Construction is estimated to take another 18 to 24 months.

Where will the plant be built?

The plant will be built on property located near the present water supply line from Rock Hill.

ATTENTION TOWN OF FORT MILL UTILITY CUSTOMERS

The annual budget for fiscal year 2011-12 was approved by the Fort Mill Town Council on September 26, 2011. This year's budget calls for a **10% increase in water rates** as well as a **5.8% increase in sewer rates**. The new rates will be effective October 1st and will be reflected in your November 2011 bill.

Residential Water & Sewer Rates

Inside Rate (Town Resident)	
Base Rate	
Consumption Rate (Per 1,000 gal)	
Average Monthly Cost (6,000 gal)	
Outside Rate (Non-Resident)	
Base Rate	
Consumption Rate (Per 1,000 gal)	
Average Monthly Cost (6,000 gal)	

Water Rates		
Old Rate	New Rate	Change
\$6.90	\$7.59	\$0.69 (10%)
\$2.93	\$3.22	\$0.29 (10%)
\$24.48	\$26.91	\$2.43 (10%)
\$13.80	\$15.18	\$1.38 (10%)
\$5.86	\$6.44	\$0.58 (10%)
\$48.96	\$53.82	\$4.86 (10%)

Sewer Rates		
Old Rate	New Rate	Change
\$11.25	\$11.90	\$0.65 (5.8%)
\$3.88	\$4.11	\$0.23 (5.8%)
\$34.53	\$36.56	\$2.03 (5.8%)
\$22.50	\$23.80	\$1.30 (5.8%)
\$7.76	\$8.22	\$0.46 (5.8%)
\$69.06	\$73.12	\$4.06 (5.8%)

The following utility-related fees will remain unchanged from the previous fiscal year:

- **Non-Payment/Reconnection Fee:** \$30.00 per occurrence
- **Returned Check Fee:** \$25.00 per occurrence
- **Irrigation Meter Installation:** \$300.00
- **Residential Garbage Fee:** \$12.50 per month

Base Rate Information: In January 2011, the town implemented a new rate structure for monthly water and sewer base rates. Customers with standard residential meters ($\frac{3}{4}$ ") will receive the lowest monthly base rates. Beginning on October 1st, the new monthly base rates for customers with a standard $\frac{3}{4}$ " residential meter will be \$7.59 per month for town residents and \$15.18 per month for outside customers. Customers with a larger 1" meter will see slightly higher base rates of \$9.49 per month for town residents and \$18.98 per month for outside customers. Meters larger than 1" will be subject to higher rates. Please note that *most* residential customers will have a standard $\frac{3}{4}$ " meter.

Consumption Rate Information: In January 2011, the town also implemented a tiered rate structure for water service in an effort to encourage conservation. Customers who use 10,000 gallons or less of regular household water per month will see no additional cost in their monthly consumption rates. For customers who use more than 10,000 gallons per month, a 50% premium on the consumption rate will be added for each additional 1,000 gallons used, up to a total of 20,000 gallons. For customers who use more than 20,000 gallons per month, a 100% premium on the consumption rate will be added for each additional 1,000 gallons used over 20,000 gallons. Monthly consumption rates for irrigation meters are also subject to an additional premium of 50% per 1,000 gallons for the first 10,000 gallons, and 100% for each additional 1,000 gallons in excess of 10,000.

Inside & Outside Rates: In October 2010, the Town Council amended the rate structure for water and sewer service to standardize the differential rate between inside customers (town residents) and outside customers (non-residents). This structure is designed to offer the lowest possible rate to residents who live inside the town limits. Under the current rate structure, water and sewer customers who live outside of the corporate limits of the Town of Fort Mill will be subject to base rates and consumption rates that are double the rate for inside customers (ie. 2-to-1 rate structure).

For more information, please call the Town Manager's Office at (803) 547-2116 or visit us at www.fortmillsc.gov.



Visit www.fortmillsc.gov to learn more about the town's proposed water plant

DID YOU KNOW?

If you live outside the town limits and receive water and/or sewer service from the Town of Fort Mill, you may be able to cut your rates in half by annexing into the town limits. For more information, please contact the town's Planning Department at (803) 547-2116.