

NORTH WALES WATER AUTHORITY ANNOUNCES SYSTEM IMPROVEMENT PLAN - 2024 RATE CHANGE.

As you may know, the North Wales Water Authority (NWWA) operates as a publicly owned and “not-for-profit” Municipal Authority. That means that every cent collected from water rates and fees is used to provide customer service or for reinvestments in the water and sewer systems we operate. We do not need to fund Wall Street Investors or even pay our Board of Directors - who each volunteer to serve the communities we provide water and sewer. This form of operation has allowed us to adopt balanced budgets for nearly 75 years and to always maintain one of the lowest rates in our region, if not the lowest.

In 2024, we will fund continuing increases in operating expenses and the many new mandates for sampling and lab testing to ensure the delivery of safe and clean water to your home or business each day. Additionally, we intend to commence work on a significant *Capital Improvement Plan* needed to maintain our services in future years.

Although the cost of operations, insurance, and many employee benefits has increased annually, the most recent funding challenge has been a rapid increase in the prices of most materials and supplies - *increasing by almost 40% over the past two years alone.*

Despite the significant increase in annual expenses, by careful budgeting, we have a balanced budget again this year, and the increase in rates and related fees next spring- will be 15%, not the 40% increase in costs. We were able to absorb the balance into the budget.

What does this mean to the average residential customer?

Our average residential customer uses less than 200 gallons of daily water. With the rate change, starting next spring, our average residential customer will pay *about 13-15 cents more for their daily water supply.* Non-residential customers will receive the same percentage increase, with their bills changing based on actual usage.

How do our rates compare to other water suppliers in our region?

Over the past thirty years (*and maybe even longer*), the NWWA has maintained the lowest water rates in our entire region. Based on our current projections, we will still have the lowest rates around, even after our 2024 adjustment. Once the others announce their 2024 budgets and rates, we will reevaluate and post the results on our website. We are proud of our record in maintaining the most reasonable rates around, and we anticipate remaining as the industry leader.

So, I understand increasing costs, but what do I really get for my money?

The NWWA has developed a long-term Financial and Capital Improvement Plan to help guide our fiscal decisions over the next decade and even longer in some cases. Based upon this plan, and after considering both projected operating costs and revenues from water sales, our plan includes:

- **An aggressive program of water sampling and testing** – not weekly or monthly – but on a daily basis. This helps ensure a safe and reliable water supply for our customers – every day.
- **Remaining on the forefront in detecting and removing contaminants** from all water we deliver to our customers. Our award-winning Forest Park Water Treatment Plant is renowned for its cutting-edge technologies and water quality. We invite you to visit our website at www.nwwater.com, and follow the links to the video about our Forest Park Plant.
- **Highly Trained Staff – Available 24 hours per day.** The NWWA employs many highly skilled technicians, holding the highest levels of water system operation licenses available in Pennsylvania. These people are on duty or on-call, 24 hours per day, seven days a week to provide you with service. Our service includes *everyday* – including all weekends and holidays.
- **Asset Management** – Deferring critical maintenance and repairs has proven to be costly as it typically increases maintenance and repair costs in the long run. Our recurrent obligations require that we constantly monitor, maintain, and repair over 575 miles of water main and 17 water storage tanks serving our 40,000 plus retail customers. We also provide wholesale water to several nearby municipalities and authorities.

Our upcoming Capital Improvement Plans include the following projects and system improvements now scheduled for completion starting in 2024, and continuing over the next few years:

- **Completion and activation of the new 4.2 Million Gallon Water Storage Tank** in Montgomery Township. The completion of this project will permit us to drain, inspect, repair, and repaint other storage tanks without loss of water service or reduced fire protection water to our customers in Montgomery and surrounding municipalities.
- **Airport Square Water Storage Tank** (Home Depot)
Draining, cleaning, inspection, repairs, repainting.
- **North Wales Water Tanks** - # 1 and 2 (Upper Gwynedd Twp)
Draining, cleaning, inspection, repairs, repainting.
- **New Britain Township Water Tank** (Former Highpoint Racquet Club)
Draining, cleaning, inspection, repairs, repainting.
- **Warrington Township Water Storage Tank** – Shetland Drive
Draining, cleaning, inspection, repairs, repainting.
- **Major Water Main Replacements:**
 - Sumneytown Pike Main Replacement
 - Commerce Drive main Replacement

- Various main replacements or relocations as required for municipal or PennDOT road improvement projects.
 - In addition to the above, we will be completing dozens of smaller main replacements throughout the system, with special focus on older mains where main breaks and service disruptions are increasing, expected to include approximately 3000 feet of new main and paving replacement.
- **Other Projects being planned requiring funding:**
- Completion of our Bucks County Operations Center in Warrington
 - Manhole rehabilitation throughout our sewer system
 - Completion of advanced filtration systems on various wells
 - Replacement of the roof at our materials warehouse
 - Handicapped access improvements at our Walnut Street offices.
 - Replacement of over 1,000 water meters and MXU units
 - Updating our Cyber Security and customer account protections.
 - An updated meter reading system, providing access to our customers.

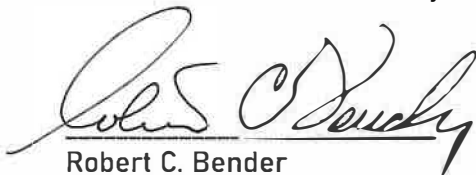
All of the projects listed above will be designed, publicly bid, and awarded, at which time we will know our actual costs. **However, at this time, the total costs of these Capital Improvements are estimated to exceed 14 Million Dollars in 2024 alone!** The list above does not include many smaller projects to be completed in the next few years.

The purpose of this publication is to inform you of the 2024 rate adjustment scheduled to start for all water purchased beginning in *March of 2024*, but also to answer the question, "*What do we get for our money?*"

We hope that the above information answers any questions you may have at this time; however, if you wish any additional detail, you may contact one of our Customer Service Representatives at our North Wales Business Office (Montgomery County) at 215-699-4836 or our Bucks County Office (Located in Warrington Twp.) at 267-482-6940, during regular business hours.

You are valued as a customer of the NWWA. As such, we pledge to do our very best to maintain our record of providing a reliable and safe water supply at all times, with fair and competitive rates.

Thank you,
North Wales Water Authority



Robert C. Bender
Executive Director