

2019 Water & Sewer Rate Adjustments

Beginning July 1, 2019, new water and wastewater rates will be effective for all Warren Water customers due to wholesale water and wastewater increases from Bowling Green Municipal Utilities (BGMU) along with Warren Water's need to rehabilitate and repair aging wastewater infrastructure. The wholesale rate increases are needed to support a water treatment plant expansion from 30 to 45 million gallons per day and wastewater capacity increases in the southern areas of the city and county due to substantial growth. In addition, Warren Water will begin to rehabilitate and repair our core aging infrastructure that was initially installed in the early 1970's. The total cost of the water and wastewater projects is over \$60,000,000. The increase will be the first of four water and wastewater rate increases over the next four years due to the wholesale charge from BGMU. If you have additional questions after reviewing this fact sheet, please feel free to contact our customer service department at (270) 842-0052.

What is the increase?

The amount of the increase depends on how much water the customer uses. For customers in the smallest usage category (2,000 gallons per month), bills will go from \$11.86 to \$12.60 per month. Bills for an average residential customer will go from \$21.64 to \$23.34 per month and average commercial customers will go from \$169.21 to \$187.71 per month.

For those with wastewater service, customers in the smallest usage category (2,000 gallons per month), bills will go from \$10.78 to \$11.77 per month. Bills for an average residential customer will go from \$19.96 to \$21.89 per month and commercial customers will go from \$379.67 to \$455.94 per month. Wastewater customers in the City of Smiths Grove have a slightly higher rate due to the infrastructure built to collect and transport wastewater to the treatment facility in Bowling Green. For Smiths Grove customers in the smallest usage category (2,000 gallons per month), bills will go from \$17.22 to \$18.46 per month. Bills for an average residential customer will go from \$26.74 to \$28.92 per month and commercial customers will go from \$495.30 to \$561.08 per month.

It is important to note that for about 78 cents per day, we are able to deliver high quality water on tap to an average resident's home by transporting it through miles of pipes from BGMU's water treatment plant. Warren Water then collects that water, transports it through miles of sewer mains and pumps to BGMU's wastewater treatment plant where it is treated and purified to demanding standards, and then returned to the river for only 73 cents per day.

How do new rates compare with other water and wastewater utilities?

Warren Water's water and wastewater rates have traditionally been among the lowest in the region due to substantial grant funding for its infrastructure, a strong industrial base, and efficient operations. Even with the rate increase, Warren Water is still able to provide high quality services at one of the lowest costs in the region as shown in the chart below.

Water				
Utility	Residential (gallons) 4,600	Commercial (gallons) 50,000	Industrial (gallons) 1,000,000 5,000,000	
Owensboro Municipal Utilities	\$19.90	\$139.30	\$2,793.88	\$11,448.96
Warren County Water District (New Rates)	\$23.34	\$187.71	\$3,122.73	\$13,814.79
Paducah Water Works	\$24.08	\$196.12	\$2,917.32	\$9,237.32
Bowling Green Municipal Utilities	\$25.73	\$197.37	\$3,304.23	\$16,084.98
Hopkinsville Water Environment Authority	\$26.75	\$290.67	\$5,812.06	\$29,074.09
Hardin County Water District No. 2	\$31.89	\$265.70	\$3,633.20	\$12,033.20
Kentucky American Water Company (Lexington)	\$35.76	\$251.83	\$4,458.50	\$19,794.50

Sewer				
Utility	Residential (gallons) 4,000	Commercial (gallons) 125,000	Industrial (gallons) 1,000,000 5,000,000	
Elizabethtown	\$18.80	\$551.20	\$4,401.20	\$22,001.20
Warren County Water District (New Rates)	\$21.89	\$455.94	\$3,536.14	\$16,016.14
Paducah/McCracken Joint Sewer Agency	\$23.32	\$728.75	\$5,830.00	\$29,150.00
Hopkinsville Water Environment Authority	\$25.24	\$788.77	\$6,310.16	\$31,550.80
Bowling Green Municipal Utilities	\$26.91	\$629.00	\$4,980.60	\$24,873.65
Lexington	\$28.55	\$842.22	\$6,726.25	\$33,624.64
Owensboro Municipal Utilities	\$32.71	\$610.14	\$4,819.03	\$24,059.67

When will I see the increase on my bill?

The water and wastewater rate increases will become effective for services beginning July 1, 2019 and will appear on customer bills received in mid to late July. The increase will be the first of four water and wastewater rate increases over the next four years due to the wholesale charge from BGMU.

Why isn't BGMU announcing a similar increase?

BGMU began implementing rate increases several years ago to its retail customers in anticipation of the proposed expansion projects. Unlike BGMU, Warren Water falls under the jurisdiction of the Kentucky Public Service Commission (PSC) which must approve all Warren Water rates. Although the cost of the treatment plant upgrade and the associated impact on rates has been well publicized, the specific impact to Warren Water rates could not be determined until construction bids were received and a rate study performed jointly by Warren Water and BGMU was finalized. The staffs of BGMU and Warren Water worked together to develop a four-year rate implementation that would lessen the initial impact of the rate increases.

Why July 1st; why not implement the increase in January 2020?

Both the rate increases from BGMU and the resulting increase to Warren Water customers will be effective July 1. This date coincides with the beginning of payments for the financing of the proposed expansions and rehabilitation/repair work.

Why is this rate change occurring?

Warren Water is a wholesale customer of BGMU for water and wastewater treatment services. The wholesale rate increases are needed to support a water treatment plant expansion from 30 to 45 million

gallons per day and wastewater capacity improvements from the southern growth areas of the city and county. Warren Water also must begin repairing and rehabilitating aging wastewater infrastructure in the Louisville Road/Plum Springs area that was installed in the early '70s. These improvements and repairs will cost the utilities over \$60 million. Warren Water worked closely with BGMU to adopt a four-year rate setting strategy to lessen the immediate cost impact to our customers. The subsequent rate increases in 2020 through 2022 will be lower.

Why was the water treatment plant expansion needed?

Bowling Green and Warren County have been the beneficiary of substantial growth over the past two decades. As the population and industrial base continues to grow in Warren County, the demand for water and wastewater services also increase. This coupled with increased regulations from the Environmental Protection Agency, has required utilities to invest in state-of-the-art infrastructure for the future. It is projected that based on current growth trends, the water treatment plant expansion should serve the Warren County Community through 2040.

What if I still have questions?

Customers should call Warren Water's customer service department at (270) 842-0052.