

## **North Lauderdale Water Association**

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[www.northlauderdalewater.com](http://www.northlauderdalewater.com)

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1 December 2014

Dear NLWA Members,

The attached notice announces water rate adjustments that will take effect January 1, 2015. **For more than 3,000 of our 4,000 members – specifically all those who have normal residential service delivered via a normal residential meter – the water rates for the new year will remain exactly the same as this year’s.** The Board is very aware that we have a large number of customers with limited or fixed incomes, and also many members that use very low amounts of water each month. Raising the minimum charge and the gallon rate impacts these people disproportionately, and thus we want to avoid that this year.

The Board has spent \$304,000 on water plant repairs so far this calendar year, and has identified \$400,000 in further repairs and replacements that need to be done in 2015. This does not include the approximately \$30 million it will cost over the next 20 years to replace the 800 miles of water mains in the ground that are now an average of 25 years old. The current repairs are being done at the pace that cash flow allows. We are making progress in improving water quality and reducing the frequency of outages, but we still have a long way to go, and going slower costs everyone more money and more aggravation. It is essential to the survival and health of the system that all who use the water pay for each gallon equitably.

Instead of just raising everyone’s rates, the Board has been carefully analyzing water metering and billing over the past year and consulting with other water associations and the Mississippi Rural Water Association. Our analysis has revealed that some of our residential customers have grossly oversized meters suitable for 50 or 100 gallon-per-minute (gpm) or greater industrial use flows, and these meters do not read accurately at the lower 3-12 gpm flows associated with households. Based on Mississippi State averages for household water consumption, North Lauderdale Water Association has been giving away two-thousand or more gallons of “free” water per each of these larger meters every month for years. The new rate plan is simply designed to reduce the free water giveaway.

Rather than raising rates for everyone, the new rate structure proportionately increases minimum usage gallons for larger meters. For those members who use the large volumes of water for which the larger meters are appropriate, the rate adjustment actually works out to be a slight decrease and will lower their bills. But for those with large meters that show little water usage, the new rate structure will significantly increase their minimum bill. **All members affected will be grandfathered at the current rate until the Association has contacted them and offered them the option of downsizing their meter or choosing to keep the current one at the new rates.**

This rate adjustment plan has been blessed by USDA Rural Development, who holds the long-term loans of the Association and also blesses our Bylaws. The NLWA Board of Directors is empowered to set and adjust rates and fees by the Association Bylaws.

Our members should understand that a normal family residence needs no more than 20 gpm of maximum flow. This includes homes with pools and sprinklers and multiple active bathrooms. A properly-designed, zoned sprinkler system uses 12 gpm or less, leaving plenty of flow to simultaneously shower or do laundry. The standard 5/8" residential meter – by far the most common installed throughout the United States – is rated by the American Water Works Association for 20 gpm with minimal pressure loss, and delivers a maximum flow of more than 25 gpm. Water meter size only has any effect on pressure when the flow is near its maximum. Installing a larger water meter cannot cure pressure problems caused by undersized service lines from the meter to the house, or very long distances from the meter to the house, or low system pressure on the main side of the meter. The only reason for a larger meter is if the peak flows require it.

Again, the intent of this rate adjustment is simply to bill for water more accurately and to stop giving away free water. The Association can only survive if all members equitably pay for the water they use.

Thank you for your membership and support.

The NLWA Board

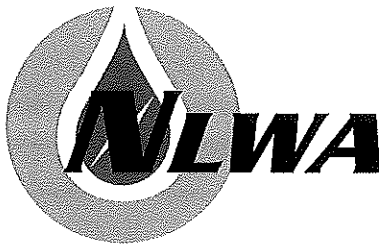


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## NOTICE

**Subj: Schedule of Fees, Rates, and Deposits Effective 1 January 2015**

**Ref: (a) NLWA Bylaws as amended 27 May 2008**

**1. Purpose.** Per the authority granted in reference (a), the NLWA Directors hereby establish the following fees and rates. Fee and Rates are subject to periodic adjustment as necessary to maintain the serviceability of the physical plant and the financial solvency of the Association so as to continue its mission to consistently deliver high-quality drinking water to its members.

### 2. Fees (nonrefundable)

- Membership Fee \$50
- New meter installation fee \$500
- New meter simple road bore (if required) \$500
- New meter complex road bore (if required) At Cost
- Service Call Fee (unlock meter, etc.) \$50
- Tampering Fee (first offence, subsequent offence) \$100/\$300
- Late Payment Fee 10% of 30-day past due balance
- Not Sufficient Funds (returned check) Fee \$30
- IRIS Alerting Service \$0.50/month

### 3. New Service Security Deposit (refundable)

- Member-Occupied Property \$50
- Renter-Occupied Property \$100

### 4. Monthly Service Rate (other than non-metered apartments)

- 20-gpm service (5/8" meter) \$21 for first 2,000 gallons
- 30-gpm service (3/4" meter) \$28 for first 3,000 gallons
- 50-gpm service (1" meter) \$42 for first 5,000 gallons
- 100-gpm service (1.5" meter) \$77 for first 10,000 gallons
- 160-gpm service (2" meter) \$119 for first 16,000 gallons

### 5. Non-Metered Apartment Service Rate

As Negotiated with Landlord

### 6. Water Usage Rate

- For each 1,000-gallon block beyond minimum \$7.25