



### **Why is the District undertaking a plant upgrade?**

*There are two major reasons for the plant upgrade. First, the Department of Environmental Quality notified the district on the 27<sup>th</sup> of January, 2021, that the district's agreed upon yearly phosphorous lading cap had been exceeded and the district had five years to resolve the exceedance. The second reason is due to the projected growth of the area, the board felt it prudent to start a plant upgrade.*

### **Will there be an increase in monthly fees due to the plant upgrade?**

*At this time the District does not intend to increase rates. However, due to the recent surge in inflation and supply chain issues, this may change. The District has formed a Fee Advisory Working Group that will assess a fair and reasonable approach to all fees. This working group will be comprised of District board members and professional engineers.*

### **How is the District paying for the plant upgrade?**

*The plant upgrade is being paid for through District funds, American Rescue Plan Act (ARPA) funds, and bonds (loans) from the Department of Water Quality (DWQ) and the Community Impact Fund Board (CIB). The District has currently received \$3.1 million in ARPA funds and is expecting additional funds from both Morgan County and the state within the next several months.*

### **What are the interest rates on the bonds?**

*The interest rates on the DWQ and CIB bonds are 1.3% and 2.0% respectively.*

### **What is the current capacity and what will it be after the plant upgrade is complete?**

*The current plant capacity is 1,800 Equivalent Residential Units (ERUs). Upon plant upgrade completion, the capacity will increase to 4,615 ERUs.*

### **You stated that "There may be further rate increases to cover the cost of the project and debt service on the bond." Why?**

*There have been increases in wastewater construction and associated materials costs ranging from 30% to 70%. There have also been increases in labor costs. These issues, combined with an increase in inflation and ongoing supply chain issues, could cause further increases. The District has already purchased much of the equipment required and is continuing to look at ways to minimize any cost increases.*