

LUMPKIN COUNTY WATER & SEWERAGE AUTHORITY



Important information about the new tiered conservation rates.

Dear Valued Water Customer,

Thank you for your ongoing efforts to conserve water. Conservation continues to be essential as Georgia's drought drags on.

Unfortunately, like other water systems and customers throughout the state, we have experienced a major side effect of conserving water: using less water often ends up costing consumers more. In simple terms, that's because we are required by charter to be self-supporting—that is, our operations must be supported entirely by user fees. As we deliver less water to our customers, our revenues decrease, while our costs to treat that water and run a water business have continued to increase. After cutting our budget as much as possible to help close the gap, we've had to increase our user fees to break even.

To offset losses, we adjusted the base rate portion of our billing earlier this year. At the same time, we met an Environmental Protection Division mandate to implement a tiered conservation rate structure. Under a tiered rate structure, even though everyone may be paying more than they used to, those who use the least water enjoy the lowest rates.

Evaluating records from our first billing cycle under the new three-tier system, we determined some adjustments were needed to make the conservation rate structure more fair to our customers. A new five-tier schedule has been implemented effective with your current bill due on April 10, 2009. The tier structures for residential and commercial customers are outlined below. The lower the tier, the lower the rate per thousand gallons. We encourage you to evaluate your water bills in light of these tiers. Depending on your average usage, you may be able to lower your bill by using just a little less water.

Residential Conservation Tiers—Thousands of Gallons of Water Used

| Tier 1 | Tier 2 | Tier 3 | Tier 4 | Tier 5 |
|---------|------------|-------------|-------------|--------------|
| 1-3,000 | 3001-5,800 | 5,801-7,800 | 7,801-9,800 | 9,801 & over |

Commercial Conservation Tiers—Thousands of Gallons of Water Used

| Tier 1 | Tier 2 | Tier 3 | Tier 4 | Tier 5 |
|---------|-------------|--------------|---------------|---------------|
| 1-4,500 | 4,501-8,500 | 8,501-12,500 | 12,501-16,500 | 16,501 & over |

Thank you for your confidence in the Lumpkin County Water & Sewerage Authority. We appreciate the opportunity to serve you.

Dudley Owens
Executive Director