

**LEICESTER WATER SUPPLY DISTRICT**  
**P.O. BOX 86 - 124 PINE STREET**  
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April 5, 2011

Dear Customers:

The Commissioners of the Leicester Water Supply District are aware of the financial constraints of the last three years. In an effort to soften the blow, “rainy day” funds have been utilized to stabilize the operating and capital improvement budgets of the District.

Due to cost increases, the Leicester Water Supply District has adopted a rate increase for both water and sewer rates. These rate increases were approved on March 19, 2011. The rate increases will be shown on your next bills to be sent out the first quarter of FY 2012. This means that your bill dated July 2011 will reflect the new rates.

Some of the major changes to the new rate are as follows:

- The base charge for water will decrease from \$52.50 to \$35.00 per quarter.
- The base charge for sewer will decrease from \$60.00 to \$35.00 per quarter.
- Consumption will be charged from 1 cubic foot. This is a key component of a conservation rate structure. (You pay for what you use. Currently, customers are “given” 1000 CF per quarter)
- We have decreased the “steps” on the water side from a 5-step structure to a 3-step structure.

**The new water rates are as follows:**

<b>Base Charge per quarter</b>	<b>\$35.00</b>
<b>1<sup>st</sup> step (1-4000 CF)</b>	<b>\$ 2.57/100 CF</b>
<b>2<sup>nd</sup> step (4001-12,000 CF)</b>	<b>\$ 4.13/100 CF</b>
<b>3<sup>rd</sup> step (Over 12,000 CF)</b>	<b>\$ 6.86/100 CF</b>
<b>Cross Connection Testing</b>	<b>\$50.00 semi-annually</b>

**The new sewer rates are as follows:**

<b>Base Charge per quarter</b>	<b>\$35.00</b>
<b>1<sup>st</sup> step (1 – 6,500 CF)</b>	<b>\$ 4.16/100 CF</b>
<b>2<sup>nd</sup> step (Over 6,500 CF)</b>	<b>\$ 5.29/100 CF</b>

We are telling you ahead of time so that, should you wish to, you may change your habits and/or consumption of water.

The last rate increase for the Leicester Water Supply District was approved on July 1, 2001. Since that time we have seen an annual inflation rate of 2.57% ([http://inflationdata.com/inflation/Inflation\\_Rate/HistoricalInflation.aspx](http://inflationdata.com/inflation/Inflation_Rate/HistoricalInflation.aspx)). This means that \$100 in 2001 will cost us \$125.77 in today's dollars.

Our rate increases are increasingly being driven by changes in regulations. We have permit requirements that are promulgated by the Environmental Protection Agency (EPA (Federal Government)) and the Department of Environmental Protection (DEP (State Government)).

Some of the major changes we have seen on the water side is the decreased limits for Arsenic and Uranium treatment. With the installation of treatment systems for these contaminants, the District has spent approximately \$746,000.00 to address this issue within the District. This will add an additional \$24,867.00 in principal and \$28,838.75 in interest per year for the next 30 years.

On the sewer side, our National Pollution Discharge Elimination System (NPDES) permit continues to drill down our limits for Phosphorous, Copper, Aluminum, Nitrogen, Nitrites and Nitrates. There are minor process changes LWSD will need to accomplish within the next year. Over time, we may have to look at comprehensive change to the way we treat our wastewater and also to increase the capacity of the plant for economic development purposes.

Please feel free to contact our office should you have any questions regarding these rate changes. We can provide you with a detailed impact analysis of these changes.

Leicester Board of Water Commissioners