

Town of Gurley

Proposed Water and Sewer Rate Increases

The Town of Gurley is proposing an increase in the Town's water and sewer rates. If approved, the new rates will be dedicated to funding the operating and capital improvement needs of the Town's water and sewer system.

Why is the Town increasing rates?

The town provides water and sewer services which are largely paid for by direct charges to the customers based on the current water and sewer rates. In an effort to keep rates low, operational expenses have been supplemented by grants and direct transfers from the general fund. In fact, just in the last two years, a \$425,000 water system upgrade and \$200,000 sewer service extension on Little Cove Road were completed with largely grant funding.

Unfortunately, operation and maintenance cost increases from the rising cost of water purchased from Madison County, higher utility rates, new Alabama Department of Environmental Management (ADEM) testing requirements, and repair/replacement of aging equipment have been greater than the Town's budget can absorb from other funding sources. In the last four years alone, cost of simply operating and maintaining the system has increased by 30% not including the upgrades paid for by grants and matching funds.

Why Upgrade the System now?

The Town's wastewater system has capacity to handle normal flow rates as well as moderate future growth. However, intermittent high rain periods or equipment failures can place a temporary heavy burden on the system. This makes it extremely difficult to meet the ever-increasing ADEM standards for water quality discharge. To stay fully compliant with these higher standards and to mitigate potential future compliance issues, ADEM is requiring several immediate and costly upgrades to the Town's wastewater collection and treatment system. Estimates for upgrading the sewer plant and making sewage system improvements are \$450,000 - \$600,000.

Over the past few of years, the Town, our water department and engineers has been actively working with ADEM to investigate and resolve any potential wastewater discharge violation. We have made several costly improvements to the wastewater collection, monitoring and treatment system during this period. However, ADEM has now directed that all compliance issues be resolved now rather than the "slow and steady" approach, that together, we had been working. ADEM and the state has now even levied a fine against the town to show the EPA that the State of Alabama is enforcing EPA guidelines. Furthermore, ADEM is requiring Gurley to immediately begin and complete this extensive and costly sewer system upgrade or face further significant fines.

What does this mean to you?

A water and sewer rate increase is required to offset the increased costs of service provided to our citizens and businesses of \$5.00 per month in the base rates for both water and sewer. Additionally, a \$1.00 per 1,000 gallons increase in the commodity charge for both water and sewer is needed. This means an increase of about \$14.00 per month if you are connected to both water and sewer and use the residential household average of 4,000 gallons per month. Obviously, some customers will pay more and some less based on their actual usage.

A popular myth is that Gurley residents pay by far the highest rates in the area. This is simply not true. In fact, when comparing near-by small communities of New Hope, Owens Cross Roads, and Monrovia/Harvest, we have significantly lower base rates for customers with water and sewer. Even after a rate increase, our combined rate for the average household using 4,000 gallons will be slightly less than these communities.

I understand this rate increase is not welcome news to any of us. However, Gurley can no longer continue to lose money on water and sewer service, and we simply have no choice but to comply with ADEMs requirement to increase rates and upgrade our municipal sewer plant. As always, we will continue make every effort to provide the best service at the most affordable price. I will hold a public meeting to answer questions at the Town Hall on Tuesday, September 5, 2017 at 6pm.

Sincerely,

Robert Sentell

Mayor, Gurley Alabama