



WILLIAMSPORT MUNICIPAL WATER AUTHORITY

And

WILLIAMSPORT SANITARY AUTHORITY

253 WEST FOURTH STREET

WILLIAMSPORT, PA 17701

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PRESS RELEASE

On Wednesday, September 23, 2009 the Williamsport Municipal Water Authority (WMWA) and Williamsport Sanitary Authority (WSA) Board of Directors adopted resolutions to set Water and Sanitary rates to the following effective January 1, 2010:

WMWA

- Tier 1 (first 5,000 gallons billed): \$4.30 per thousand gallons billed.
- Tier 2 (over 5,000 gallons billed): \$4.06 per thousand gallons billed
- 15% increase in private fire service rates

WSA

- \$6.49 per thousand gallons billed

The implementation of these rates will result in a quarterly increase to the average residential consumer of approximately \$6.24 for water service and \$20.02 for sanitary service, or an overall quarterly increase to City customers of \$26.26 (based on quarterly water consumption of 13,000 gallons). This increase amounts to about 29 cents per day increase for water and sanitary service to the average residential household. The total cost for water service and sewer service each remain below \$1.00 per day to the average household.

The Williamsport Municipal Water Authority has found it necessary to increase water rates higher than in past years due to an ongoing trend of lower water consumption and increasing cost of treatment and distribution. The Board recognizes the financial difficulty many customers are facing due to the economy, but is also aware of the need for infrastructure upgrades to ensure safe drinking water and fire protection for all. The situation is the same across the country in areas experiencing stagnant or declining population trend and higher construction costs, and the Authority will continue to look for ways to maintain its high service and reliability levels at minimum cost.

The Board and staff of the Williamsport Sanitary Authority continue to seek substantial funding assistance in the form of state and federal grants to help offset the financial burden that the Chesapeake Bay Tributary Strategy will have on customers. A low interest loan was recently obtained to help finance a wet weather storage tank, and two grants were received totaling approximately \$1.7 million, which will be used for wet weather improvements and upgrades at the Central treatment plant. These grants represent less than 2% of the anticipated total costs to be incurred over the next several years. The Authority will incur substantially more debt, which will result in large rate increases. The severity and timing of these rate increases will depend on grant and low interest loan availability, and the financial market as it relates to municipal bond issues.
