



Financing Cranberry's Expanded Wastewater Treatment Plant

August 8, 2013

Dear Cranberry Water/Sewer Customer:

We have known since the last retooling of Cranberry's Brush Creek sewage treatment plant in 1999 that another upgrade would eventually be required to serve a growing population. We took a number of steps to push that project as far off into the future as possible. However, that future point is now approaching.

The upgrade we are currently planning for is designed to meet the Township's needs once it is fully built out, which we expect to take place by around 2030. We are now working on the preliminary engineering and on securing state permits which will determine its final design and costs. Our initial cost estimates, in the range of \$18-20 million, are based on current permitting requirements. To fund the upfront engineering and the capital required for that size project, we need to adjust our sewer rates.

Accordingly, after August 23, the rate for sewer service will be \$7.16 per 1,000 gallons – an increase of \$1.49. The average monthly sewer cost for most households will go from \$35 to \$43 – up by approximately \$8.

The project's cost estimates are based on current state permitting requirements. However, state regulators are considering new limits on discharges and treatment process management. If these change significantly, it could have a major effect on the project's final costs.

Raising rates and paying more for a service is something nobody wants. However, even at the new rate, the average increase over the past 15 years has been just 2.7%. Inflation during that same time averaged 2.9%, and our rates are still about the same as comparable communities.

We appreciate your understanding of this situation, and we pledge to continue working hard to see that Cranberry's ratepayers receive full value for the money they spend on the Township's sewer service. For updates about this Project, visit the Township's website at www.cranberrytownship.org/PlantProject.

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