



Efforts to Provide Water and Sewer Rates Relief

The Town of Hillsborough is committed to providing quality and reliable water and sewer service. It is also committed to finding ways to help relieve customers from the high cost of funding this service.

Rates study

State law prevents the town from charging different rates to customers based on income. A rate study to begin evaluating the town’s rate structures and to begin exploring other options started in Fiscal Year 2019-20. Continued work was delayed due to the COVID-19 pandemic. Additional study areas to be added are further reductions to the minimum usage as well as the best rate structure to address usage and differential charges for in-town and out-of-town customers.

Lower minimum usage

The town has reduced the minimum number of gallons of water and sewer that customers are charged for each month to 2,375 gallons, effective July 1, 2021. In 2013, the town implemented a four-year plan to reduce the minimum use from 3,000 to 2,500 gallons. The reduction was spread over four years to minimize the annual impact to the town of the correlating loss in revenue.

Despite this fiscal year’s rate increases, customers who use 2,375 gallons or fewer will see a combined yearly savings of \$14.76 in town and \$28.92 out of town from the 2,500-gallon minimum charged in Fiscal Year 2021.

Savings from Change in Water and Sewer Usage Minimum for Customers Using the Minimum or Less			
The minimum usage that the town charges for dropped from 2,500 to 2,375 gallons.			
	Water	Sewer	Combined
In-town customers			
Monthly savings	16 cents	\$1.07	\$1.23
Yearly savings	33 cents	\$2.08	\$2.41
Out-of town customers			
Monthly savings	\$1.92	\$12.84	\$14.76
Yearly savings	\$3.96	\$24.96	\$28.92

Water and sewer customers using the minimum or less spend a combined 2 cents in town and 5 cents out of town per gallon monthly. The average residential utility use is 3,761 gallons monthly.

Water Assistance Program

The Water Assistance Program was started in March 2006 to help eligible customers with paying water and sewer bills. The candidates must be recommended by the Orange County Department of Social Services or a local church.

The program, which is administered through a partnership with the local nonprofit organization Orange Congregations in Mission, is funded through donations from utility customers. One-time donations may be made to the fund, or monthly pledges of up to \$20 can be added to water and sewer bills. Donation forms may be completed online through the town's website.

In 2020, the program assisted 41 households with an average of \$41.68 per household. The donations to the program in 2020 totaled \$1,704.88, a decrease of nearly \$2,000 in donations from the previous year.

The town started the program with \$5,000 of seed money and provided another \$5,000 for the following year.

“For those concerned about the affordability of living in this area, especially for people on fixed incomes or facing family emergencies, our Water Assistance Program is a good way to help.”

— Hillsborough Mayor Jenn Weaver

Water and Sewer Advisory Committee

A water and sewer advisory task force was formed after large rate increases were required in the early 2000s to pay for the construction of the West Fork Eno Reservoir and to make up for the loss of the town's largest water customer, which represented 25% of the town's water and sewer revenue. The members were tasked with evaluating the situation that led to the large rate increases and with evaluating the management of the town's utilities operations and finances.

The task force has continued as a permanent advisory board — the Hillsborough Water and Sewer Advisory Committee, which strives to maintain six to eight members with representation matching the in-town and out-of-town customer base as closely as possible. The committee provides guidance and oversight for the town's water and sewer operations, making recommendations to the Hillsborough Board of Commissioners and town staff. Its members represent water and sewer customers and hear the concerns and suggestions of fellow customers.

The committee started exploring options in Fiscal Year 2020 for providing water and sewer cost savings to Hillsborough's customers through a possible rate structure change. Its meetings were reduced to quarterly remote meetings due to the COVID-19 pandemic.

The Water and Sewer Advisory Committee page on the town's website includes information on the board's membership and meetings as well a contact form.

Innovation

Town employees strive to reduce the operation and maintenance costs of the water and sewer system, regularly increasing efficiency through innovation, deferring lesser priority projects, and performing much work in house, saving on contractor costs. Among cost-reduction efforts is work to reduce the number of pump stations that the town operates. These pumps are used to keep sewage flowing in low areas. They are expensive to operate, and failures can result in sanitary sewer overflows and fines from the state. Hillsborough has more pump stations than a typical municipality because of its terrain and likely because the infrastructure was preferred decades ago due to low upfront costs. Since 2005, two pump stations have been eliminated.